CHAPTER-VIII

SUMMARY OF FINDINGS AND SUGGESTIONS
CHAPTER-VIII

SUMMARY OF FINDINGS AND SUGGESTIONS

Major Findings
Cashew industry

1 Cashew nut is the major commercial crop and ranks second among the agricultural commodities exported from India during 1999-2000 and has earned foreign exchange of Rs.2500 crores for exporting 95000 M.T of cashew kernels contributing 1.5 percent of the total export earning of the country during 1999-2000.

2 Indian cashew nut industry in its organized form first originated in Mangalore in Karnataka in the 2nd decade of 20th century and Pierce Leslie was the 1st company to process cashew in 1924 and was the 1st company to export cashew kernels, value added cashews and cashew nut shell liquid (CNSL).

3 India is the largest producer, processor and exporter of cashew kernels and 2nd largest consumer of cashew kernels in the world (America being the 1st largest consumer).

4 The commercial export of cashew kernels in the world first started from India with a shipment of about 45 tonnes in the year 1923 to the U.S.A.

5 There were about 310 cashew factories in India till 1970s which rose to 550 with a work force of 280000 during 1980, 677 during 1992-93 with the same work force of 280000, 771 during 1995 with the work force of about 221596 and number of factories rose to about 1000 during 1999-2000 with a work force of about 320000.
6 In the cashew processing factories over 95 percent of the workers are women from the lowest strata of society mainly belonging to socially and economically backward communities.

7 All the processing units in India put together have a processing capacity of about 10 lakh tonnes of raw nut each year but domestic production is about 5 lakh tonnes of raw nuts and India is forced to import raw nuts for processing. The bane of the industry is acute shortage of raw nuts within the country.

8 Majority of the cashew factories in India are family owned proprietary concerns and partnership firms with an exception of a few Ltd companies.

9 In India cashew processing factories are found in states like Kerala, Karnataka, Maharashtra, Goa, Tamil Nadu, Andhra Pradesh, Orissa and West Begal.

10 35 percent of the cashew factories were operating in Kerala during 1995 and 36 percent during 1999-2000 followed by Tamil Nadu and lowest number of cashew factories was found in Orissa during the said period.

11 During 1999-2000 India produced 520000 tonnes of raw nuts from an area of 683000 ha which is almost half the world's production.

12 India is the first country to evolve the processing technique for the separation of cashew kernels, which became a major breakthrough in the history of cashew growing.

13 The technology to extract the kernels from its shell, which contains an anacardic acid was developed in Kerala during 1920s, which led to commercialization of crop for kernel production and its introduction to international trade.

14 In Karnataka there were 56 cashew processing factories having processing capacity of 30000 M.T with a labour force of 7237 persons during 1995 and the
number of cashew factories during 1999-2000 was 172 with a labour force of 15500 persons.

15 In N.K district cashew processing factory was started during 1950s with the establishment of "North Kanara District Co-operative Cashew Processing Society Ltd" at Ankola with a labour force of around 100 persons.

16 Of the 40 cashew factories, 27 factories were found operating in different taluks of N.K district during 1999-2000 and all the processing units in N.K district put together have a processing capacity of about 10000 tonnes of raw nuts each year.

17 92 percent of the factories are operating in coastal taluks like Kumata, Honavar, Bhatakal and Ankola and 8 percent of the factories are found operating in Malnad region of Sirsi and Yallapur taluks of the N.K district. Thus majority of the cashew factories are found in coastal region only.

18 Majority of the cashew factories in N.K District were family owned proprietary or partnership concerns with the family members as the partners or the members of the management. 13 factories (48 percent) were managed as partnership firms, 12 factories (44 percent) as proprietary concerns and 2 factories (8 percent) as private limited companies. 4 units are owned and managed by female entrepreneurs while the remaining 23 units by male entrepreneurs and people belonging to Hindu community only own all units. It is further found that no units in N.K district is owned and managed by people belonging to SC or ST.
HRM in Cashew Industry

Observation based on responses from employers and employees of cashew industry in N.K district.

Manpower Planning, Recruitment and Selection in Cashew Industry

1. During 1999-2000 in all 1319 employees were working in 27 cashew factories of which 1255 were female and 64 were male employees. Of the total work force of the cashew industry female employees account for 95 percent and linear regression analysis showed that there is a linear increase in the recruitment of female employees when compared to male employees.

2. Analysis of manpower planning function of cashew industry revealed that there exists a manpower planning in all the factories but neither a separate person is employed nor a separate department is created to assess the manpower requirement of the factories. In all the factories employers themselves have taken the responsibility of assessing the manpower requirement who are already burdened with the work of recruitment, selection, maintenance of accounts and over-all supervision and management of the factory.

3. Managements of the cashew factories have not prescribed any qualification for employees and all the employees are recruited without considering their educational qualification.

4. It is shocking to know that cashew factories operating in N.K district have not at all adopted recruitment policy for recruiting its employees and recruitment was made as per the need based technique.
It is observed from the study that all the units operating in N.K district have followed both internal and external sources of recruitment. External sources of recruitment is quite common in cashew industry and all the units operating in N.K district have recruited some employees through recommendation of present employees and few at factory gate. 18 percent of the units have followed the source of employment exchange office for recruiting their employees. Among the internal sources "Lay-off" is the only source that has been followed by all the units. If laid-off employees did not turn-up, then only recruitment has been made through external sources.

It is found that, advertisement, as a source of recruitment has not been followed by any of the factories covered in the study.

64 percent of the respondent employees affirmed that they have been recruited through external sources and only 36 percent of the respondents were recruited through internal source i.e. Lay-off. Thus, majority of the employees are recruited through external sources especially through recommendation and at factory gate.

It is important to note that none of the respondent employees working in the cashew factory during the period in the study were recruited through Employment Exchange Office and all were recruited through recommendation and at factory gate only.

The study has revealed that 70 percent of the factories have followed direct selection process while 30 percent of the factories have selected their employees through personal interview thus direct selection is quite common in cashew industry.
10 Among the three types of units large units have selected their employees through personal interview only while small and medium units have selected their employees through both direct selection process and personal interview process.

11 67 percent of the respondent employees affirmed that they have not faced any interview but got selected directly while 33 percent agreed that they have faced the interview during the process of selection.

12 Employees of the large units have stated that their selection was through interview only while employees of small and medium units gave mixed opinion.

13 It has been observed that preference is given to local persons during the process of selection and majority of employees are local and ruralities.

Placement, Training and Promotion of Employees

14 It is significant to note that all the employees have been placed in the job of their own choice in all the units and experience and interest were the basis of placement. Management has not used any force or influence while placing the employees in the job.

15 Every employee selected for a particular post must under go training and all the factories have arranged training for their newly recruited employees.

16 All the cashew-processing units have imparted on-the-job training to their employees and the cashew factories for the benefit of their employees arranged neither an external training nor an institutional training programme.

17 99 percent of the respondent employees have affirmed that they have under gone on-the-job training in the factory in which they are working and none of them have attended institutional or external training programme.
18 All the employees who have attended the training have stated that they have been paid stipend during the period of training on daily-wage basis.

19 48 percent of the factories have imparted training up to one week, 37 percent till workers become proficient and only 15 percent of the factories have arranged training up to one month.

20 The study has revealed that maximum number of 56 percent of the respondent employees have attended training up to one week, 34 percent till they have become proficient and 10 percent up to one month. Thus, it is obvious that, in majority of the cases training has been given up to a maximum period of one week only.

21 It is frightening to know that cashew-processing factories have not at all adopted promotion policy and none of the employees have been given promotion during the period covered in the study.

Wage and Salary Administration

1 Wages and salaries to the employees have been paid both on time and piece wage basis by the entire cashew processing factories covered in the study.

2 Time or day wage has been paid to office staff and roasters by all the 27 factories, to Graders by 24 factories and to Shellers and Peelers by 2 factories. Piece wage has been paid to Shellers and Peelers by 25 factories and to Graders by 3 factories only. Thus it is observed that majority of the factories have followed rules in force with regard to payment of remuneration to their employees.

3 On an average about 64 percent of the respondent employees have been receiving piece wage while about 36 percent affirmed that they have been paid
time wage. Thus majority of the employees of the cashew industry have received piece wage with D.A.

4 There is no uniformity among the cashew factories with regard to the timing of payment of wages and salary. All the factories have paid the salary to office staff once in a month while workers have been paid weekly by the 70 percent of the factories and monthly by the 30 percent of the factories.

5 67 percent of the employees have affirmed that they have received their remuneration once in a week while 33 percent of the employees have stated that they are paid monthly.

Payment of Incentives to Employees

6 It is significant to note that cashew factories have paid both financial and non-financial incentives to their employees. Financial incentives in the form of dearness allowance have been paid by all the factories and bonus has been paid by 67 percent and provident fund by 63 percent of the factories.

7 Gratuity and profit sharing schemes have not been implemented by any of the factories covered in the study.

8 2 of the 27 factories have paid scholarships to the children or brothers or sisters of the employees for continuing their education.

9 The study revealed that non-financial incentives like promotion, scope for career development and incentives for higher qualification for the employees have not been adopted by any of the cashew factories.
Welfare Facilities

10 Washing, rest room, storing and drying clothing, first aid appliances and facility for sitting have been provided by all the 27 factories covered in the study.

15 percent of the factories have provided canteen, uniform by 11 percent, concessional tea or food by 56 percent of the factories.

Crèches have not been provided by any of the factories covered in the study.

11 It is significant to note that interest free loan has been given by about 96 percent of the factories, housing or quarters by 37 percent of the factories, traveling allowances by 22 percent of the factories, maternity benefit and leave travel facility by 7 percent of the factories. Vocational guidance and children's education facility have not been directly extended by any of the factories covered under study.

12 It is interesting to know that cashew-processing factories have made suitable provision for health and safety of their employees. Cleanliness, disposal of waste and effluents, provision of ventilation, adequate lighting, and drinking water have been ensured and provided by all the 27 factories.

Basic necessity of the employees- latrines and urinals were provided by 78 percent of the factories. Spittoons were not found in any of the factory premises covered in the study. Artificial humidification and over crowding were also not found in any of the factories.
Labour Turnover

13 Average rate of labour turnover is 15.35 percent during the period covered in the study. Labour turnover rate is less (7.54 percent) in large units where as it is high (19.28 percent) in small units.

Employee's Intention to Work for or Leave the Factory

14 62 percent of the employees intended to work up to their marriage and leave the factory after their marriage while 17 percent wished to work till their retirement age and 20 percent of the employees opined that they would work up to 5-10 years.

Analysis of reason for leaving the factory by the employees revealed that 67 percent of the employees stated personal problem while 20 percent said no job guarantee and marginal number of 12 percent of the employees stated inadequate pay and facilities were the reason for leaving the job. Thus it is found that main reason for leaving the job is the personal problem like health, marriage and family problem of employees.

Absenteeism in Cashew Industry

15 It is observed from the study that average rate of absenteeism is 5.95 percent and rate of absenteeism is high (8.16 percent) in large units while it is low (5.03 percent) in medium units.

Analysis of reason for employee’s absenteeism revealed that personal problems like work at home, health problem, farm and agriculture work during rainy season is the main reason for employees’ absenteeism.
It is important to note that cashew factories have taken different steps to control absenteeism. Measures like warning, provision of good working environment, national holiday with pay and maintenance of records of employees have been ensured by all the 27 factories covered in the study.

06 of the 27 factories have offered cash incentives for full attendance, 10 factories have provided important festival holiday with pay while only 6 factories have taken disciplinary action in the form of suspension and dismissal of employees for remaining absent continuously.

**Indiscipline and Disciplinary Action**

17. Major act of indiscipline like disobedience, theft or fraud, negligence in duty, willful damage of the product, breach of law of the factory by the employees have not been reported by any of the factories covered in the study.

18. It is worth to note that indiscipline is less among the employees of cashew factories. 5 of the 27 factories have reported late attendance while employees of one factory had gone on strike and misbehavior like talking while working by the employees have been reported by all 27 factories.

19. Except giving oral warning by all 27 factories and suspension and dismissal of few employees by 06 factories, other sort of disciplinary actions like pay cut, pay recovery, penalty or withdrawal of facility have not been resorted to by any of the factories covered in the study.
Complaint and Grievances

20. 40 percent of the employees have complained about inadequate welfare facilities, while 35 percent have expressed grievances about payment of wages and salaries and 25 percent of the employees' complaint was regarding poor work environment.

21. It is interesting to know that all the 27 factories have followed open door policy and conducted exit-interview and one large factory has even used complaint box in order to study employee's grievances. Thus, almost all the factories have made an attempt to study employee's grievances.

Employees Union and Collective Bargaining

22. It is interesting to know that employees of cashew factories have not formed their union or association either at the unit level or at the taluk or district level. Further it is found that none of the employees have become the members of any Trade Union functioning in the district.

Attitude of Employees and their Job Satisfaction

1. Regarding activities and decisions of the organization, 64 percent of the employees felt that their participation is not important and 54 percent opined that they are not kept informed about the activities and decision and 59 percent opined that their opinion is not sought while making any charges in the activities and decision of the factory.

2. 52 percent of the employees opined that working condition in the organization is far from satisfactory, 85 percent opined that their performance is judged on the basis of result shown, 51 percent were un-decided about basis of rewards, 49 percent confirmed that organizations' interest ranges from on-the-job to off the
job of employees, 44 percent opined that they get immediate recognition in the factory wherever they have done something good, 59 percent stated that there is a mutual understanding between organizations view and employees views. 76 percent of the employees stated that there is a relation between welfare and employee improvement, 50 percent agreed that special knowledge and skill of the employees are not given importance, 71 percent expressed that people who are causing damages are not ignored, and 49 percent of the respondents disagreed with the statement that employees welfare is ignored by the cashew factories.

3. 50 percent of the employees opined that their job is secured, 75 percent are not worried about their job, 51 percent expressed that they have plenty of opportunity for growth and development and 83 percent opined that they do not blame each other whenever there is a failure in the organization.

4. 79 percent of the employees opined that they are proud of being the member of cashew industry, 75 percent were very much concerned when some one talks ill of the organization, 74 percent did not hate to return to work, 51 percent opined that they are paid better than their friends, 66 percent stated that their superior did not ignore their development and 77 percent agreed that they feel happy to discuss about their job with others.

5. 82 percent of the employees opined that their grievances are settled with satisfactory adjustment and 83 percent have agreed that case was amicably handled.

6. 58 percent of the employees stated that their jobs are stimulating and interesting, 54 percent opined that their jobs are challenging, 72 percent expressed that there
is a relation between their job and their qualification and 75 percent stated that there is a relation between job contents and their abilities and intelligence.

7. 72 percent of the respondents agreed that they are paid fairly well 68 percent were happy with their remuneration, 73 percent were in the job in which they are interested and 53 percent did not agree with the statement that they are in the job because they have no other jobs to do, 86 percent were satisfied with their job, 80 percent satisfied with work environment, 81 percent were satisfied with supervisor’s treatment 84 percent were satisfied with employers treatment and 61 percent opined that they will get job till their retirement age.

8. 87 percent were satisfied with restroom, washing etc, 94 percent were satisfied with drinking water, and rest etc, 93 percent were satisfied with working hours, 95 percent were happy with maintenance of machineries, 80 percent were satisfied with method of payment, 92 percent were happy with safety measures followed, 98 percent were satisfied with dust allergy precaution measures, 51 percent were not satisfied with leave and job security, 53 percent were not satisfied with pay and special allowance, 55 percent were satisfied with payment of P.F and bonus and 86 percent were not satisfied with traveling and special allowance paid by cashew factories.

**Man-days**

1. During 1999-2000 total employment generation of 257050 man-days worked has been noticed in 27 cashew processing units and 115479 man-days (45 percent of actual man-days worked) were found lost due to work stoppage and employees absenteeism. 97045 man-days were lost to due to work stoppage, 18434 man-days were lost due to employees’ absenteeism.
Processing Per-man-day

1. It is observed that average shelling per-man-day was 43.21 kg, average peeling per-man-day was 7.55 kg and average grading per-man-day was 18.91 kg in the 27 units covered in the study.

Average Daily Earning of the Employees

1. It is important to note that average daily earnings of the sheller was Rs. 57.22, peelers Rs. 46.15, Grader Rs. 50.18 and the helper was Rs. 77.30.

General Observation

1. Analysis of employees opinion about their recruitment and placement revealed that 81 percent of the employees are satisfied with recruitment and selection practice while all the respondents are happy with the placement decision of the cashew factories.

   The employees dis-satisfied with recruitment and selection practice of the cashew factories opined that selection without merit, selection through Employment Exchange Office and selection of relatives and friends of the employers are the reason for dissatisfaction.

2. Analysis of employees' opinion about the type and the method of training revealed that 76 percent of the respondents are satisfied with the method of training while 24 percent are dissatisfied. The employees dissatisfied with the method of training opined that absence of external training programme, faulty method of training is the main reasons for the dissatisfaction.

3. Analysis of employee satisfaction with overall facilities provided by the cashew factories revealed that 83 percent of the respondent employees are satisfied with
the facilities while only 17 percent expressed dissatisfaction. The employees dissatisfied opined that inadequate facilities, equal facilities to all categories of employees and ineffective measures are the main reasons for their dissatisfaction.

4. Analysis of employees' awareness of welfare facilities revealed that 53 percent of the respondents are unaware of the availability of welfare facilities and only 47 percent are aware of the facilities. Further it is observed that low educational level of the respondents and absence of employee counseling in cashew factories are the main reasons for majority of the employees' un-awareness.

5. Analysis of employees' satisfaction with disciplinary action taken in the cashew factories revealed that all the respondent employees are satisfied with the mode of action taken and no body resisted or objected to the action initiated against them.

6. Analysis of employers opinion about employees discipline and duty consciousness revealed that 85 percent of the employers are satisfied while 15 percent are highly satisfied with the employees’ discipline and duty consciousness.

7. Analysis of rating of management by the respondent employees revealed that 57 percent of the respondents viewed their management as "Good" while 39 percent placed their management under "Very Good" category and only 4 percent placed their management under "Poor" category.

8. 80 percent of the employees working in the cashew industry are between the age of 15 and 30 years and 2 percent employees are above 50 years of age.

9. 99 percent of the employees working the cashew industry are Hindus and Muslims account for only 0.75 percent.
10. 78 percent of the employees working in the cashew industry are unmarried and married respondents account for only 22 percent.

11. 90 percent of the employees working in the cashew industry have studied up to SSLC and respondents with above SSLC account for only 10 percent.

12. 67 percent of the respondents belong to joint family while 33 percent belong to nuclear family.

13. 64 percent of the employees working in the cashew industry have 5 years of experience and employees with 15 years or above 15 years of experience account for only 3 percent.

Suggestions

Cashew processing units are basically cottage industries, majority of which are now functioning as small-scale units. Being in the cottage and small-scale sectors, the proprietors of these units are unaware of the significance of human resource, human resource development, research and development. Proprietors of these units need to know the importance of human resource development and need to make an investment on human resource development.

In the light of the above findings the following suggestions are made which may be useful for managing human resources in cashew industry.

1. At present cashew factories in N.K. district have not followed definite recruitment policy. A policy to recruit people meeting job requirement be evolved by the management. An yearly recruitment plan should be prepared considering expected quits, separations, job requirement and expansion programmes.
2 The bane of the industry is shortage of raw nuts, which led to closure of many units. Even units operating during 1999-2000 could not work throughout the year because of shortage of raw nuts, which is also the reason for lay-off. Therefore action should be taken to grow more cashew nuts within N.K district at least to feed the existing cashew factories and there by factories must be encouraged to work throughout the year to avoid lay-off.

3 Direct selection process followed by majority of the cashew factories should be stopped and selection must be made through personal interview process only. Selection through personal interview process helps to know employees' interest and intention to work for the factory, and those who are prepared to work for longer duration should only be selected.

4 Cashew processing work is not the monopoly of female employees only. Appointment of male employees in all the sections of cashew factories should be practiced on experimental basis offering admissible pay and facilities. If male employees are found worth, they may be continued in the place of female employees and problem of labour turnover and absenteeism frequently caused by female employees in view of their personal problem can be controlled.

5 Training is a key to productivity. The skill of people at work needs continuous improvement, which can be ensured through proper training. Proper training facility needs to be provided both in and out side the factory. Mere on-the-job training will not help in improving the work culture, work ethics, and change in the attitude and behavior aspect of employees. External and institutional training programme should be arranged for improving employees work culture and work ethics. Lectures and demonstration may be arranged for changing the attitude and behavior of the employees.
Employees working in any concern always expect higher pay and better position. Therefore cashew factories should evolve and adopt a time bound promotion policy for the benefit of their employees. Those employees who have put 10 years of continuous service may be given promotion as "Senior Assistant" "Senior Shellers" "Senior peelers" and "Senior Graders" with a hike in pay and facility which may be helpful in minimizing labour turn-over and absenteeism rate. Promotion policy may influence the employees to work for more number of years.

Majority of the management of the cashew factories have not paid wages and salaries as per the rule in force. Management of the cashew factories are advised to compare the wage structure of their unit with the wage structure prevailing in other units in N.K district and other district and neighboring states and make a suitable correction in the wage structure.

Though D.A was paid by all the factories it is observed that payment was not made by all the factories as per the rate in force. Therefore all the factories pay DA to all the employees as per the rate in force as D.A is paid to compensate the increased cost of living.

It is observed that only 63 percent of the factories have made contribution towards employees provident fund and employees of the remaining factories have expressed dissatisfaction for non-contribution of P.F. Therefore all the factories operating in N.K district may make provident fund contribution.

At present Gratuity has not been paid by any of the factories covered in the study. Gratuity as a pension scheme may be implemented by the cashew factories and be extended to eligible employees.

At present employees are not allowed to avail of the leave as a matter of their right by majority of the factories, which is also one of the reasons for absenteeism.
Management of the cashew factories are therefore advised to evolve a policy which will allow their employees to avail stipulated number of leave during particular season which may help the management to control absenteeism.

12 At present incentives offered by majority of the factories are common to all categories of employees. It is advised to follow performance and attendance linked incentives scheme so that employees are forced to work hard and to remain present continuously.

13 Though 95 percent of the work force is female employees crèches have not been provided by any of the factories. It is therefore felt necessary to provide crèches by all the cashew factories so that married employees may not think of leaving the factory and subsequently may not cause labour turnover.

14 There is no employee counseling in the cashew industry covered in the study. Employee counseling helps to know employees problem, also helps to guide them in taking the right decision and also helps employees to be aware of various facilities available and facilities extended to them. Therefore, it is felt necessary to make the provision of employee counseling in every cashew factories in N.K district.

15 For the benefit and protection of the interest of the employees it is advisable to form employees union in all the cashew factories so that any problem relating to employees can be amicably settled through employee union.

16 Majority of the workmen in the cashew factories have expressed that there are no learning and advancement opportunities available in the factories. The management of the cashew factories may look into this aspect and learning and advancement opportunities are to be created to improve employees’ skill and knowledge.
17 To upgrade the skill and knowledge of the workmen to keep pace with the changes, a centralized training and development institute should be setup by the state government for the workmen working in the cashew factories in the state.

18 It is observed in the survey that there is a communication gap between management and employees of cashew factories in respect of activities and decision of the concern. Towards this end, management of the cashew factories is advised to evolve a plan, which will enable the employees to take part in the decision-making activities of the factories. For this purpose a periodical meeting may be called allowing employees or representative of the employees to take part in the meeting. Works committee, cultural committee, safety committee recreational committee etc may be constituted with workman as its members to enable the employees to take part in the meeting.

19 It is important to note that latrine and urinals, which are the basic necessities, were found in 78 percent of the factories and spittoons were not found in any of the factories covered in the study. It is therefore, advised to the management to make a suitable arrangement for spittoons, latrine and urinals so as to maintain cleanliness in and around the factory premises and to save workers time.