

A Study on Functions of Human Resource Management of Select Co-Operative Sugar Mills In Tamilnadu

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Abstract

In this paper, an attempt has been made to study the Functions of Human Resource Management of the select co-operative sugar mills in Tamil Nadu. For this purpose, Employment exchange is the principal source of recruitment in the select co-operative sugar mills. Seniority-cum-merit is the main criterion followed for the promotion of employees. There exist two types of pay structures. There is no uniformity among the select sugar co-operatives in payment of wages to the overtime work. The select co-operative sugar mills have no scientific performance appraisal system. The non-statutory welfare measures provided by the select co-operative sugar mills vary from mill to mill. The employees/unions are consulted before taking major decisions affecting their normal employment. Though the employees have grievances with wages, promotion, welfare measures, acting allowance and pay for overtime work, there exist cordial relations between employees and management in the select co-operative sugar mills in Tamil Nadu.

Key Words: Special Byelaws, Staff Category, Human resource management, Employee Motivation and promotion

Introduction

Human resource department has been established in every organization under the charge of an executive known as human resource manager. He is first of all an executive requiring essentially the same executive qualities as the other executives. Though human resource manager is a staff officer in relation to other departments of the enterprise, he has a line authority to get orders executed within his department. The human resource manager performs managerial as well as operative functions. Since he is a manager, he performs the basic functions of management like planning, organizing, directing, coordinating, and controlling. He also performs certain operative functions of recruitment, selection, training, placement, etc. that the other line managers may entrust to him. None of the select co-operative sugar mills has separate human resource department. The Special Officer, who is the immediate superior of the co-operative sugar mill, performs human resource functions.

Review of Literature

The review of literature is highly useful to design the present study as it indicates the research gap in the study of human resource management policies and practices of the select co-operative sugar mills in Tamil Nadu. Wright and McMahan (1992), in their study "Theoretical Perspective for Strategic Human Resource Management," point out the matching of human resource management with strategy, human resource skills, attitudes, behaviours and performances. Strategies can be used to acquire, develop, motivate and maintain human resources. Bailey Thomas (1993) presented an argument for the application of promoting HRM practices on the grounds that human resources are frequently underutilized. Employees often perform below their potential. He points out that HRM practices may have an influence on employee skills and motivation. HRM practices influence employee skills through the acquisition and development of a firm's human capital. Recruiting procedures and selection regimes will have an

influence over the quality and type of skills new employees possess. Agarwal and Sudeepa Bose (2004) in their article on “Organizational Climate for Perceptions of Procedural Fairness” suggest that the perception of procedural fairness might be instrumental in developing members’ role efficiency. An organizational climate that is conducive for such perceptions of procedural fairness may create a desire on the part of members to identify more strongly with the organizations and result in effective role enactment. Daniel F. Ofori, Victoria Sekyere-Abankwa and Davida B. Borquaye (2012) have conducted a study to determine the perceptions of the HR function among professionals in Ghanaian organizations. The primary data were collected from 300 respondents. Out of these 250 questionnaires were returned. A perception index was developed to measure the respondents’ perceived relevance of the HR function in their organizations. The results of the study revealed that respondents ranked the recruitment of qualified personnel; training and development; and the retention of qualified staff as the most important functions of HRM. The study showed that the perceived relevance of the HR function is influenced by age, job position, being denied assistance, and being sidelined for recognition.

Objectives of the Study

1. To study the Functions of Human Resource Management of the select co-operative sugar mills in Tamil Nadu.

Methodology

Sampling design

There are 42 sugar mills in Tamil Nadu, of which 37 mills are in operation, which include 15 co-operative sugar mills, 2 public sector mills, and 20 private sugar mills. Since the study is restricted to co-operative sugar mills only, the researcher has selected 4 mills. For this purpose, the co-operative sugar mills are categorized into 3 groups based on crushing capacity per day. There are 4 mills which fall under 2000 and below tonnes capacity, 9 mills under 2500 tonnes capacity and 2 mills have more than 3000 tonnes capacity. 25 per cent of the mills from the above each category have been selected for this study. Therefore, this study is confined to the employees of the four co-operative sugar mills namely Dharmapuri District co-operative sugar mills (with 2000 and below tonnes capacity), M.R. Krishnamoorthy Co-operative Sugar Mills and Salem Co-operative Sugar Mills (with 2500 tonnes capacity) and N.P.K.R.R. Co-operative sugar mills (with more than 3000 tonnes capacity). The total strength of human resources of the select 4 co-operative sugar mills was 1709 as on 31.12.2011. By adopting stratified random sampling, 513 respondents were selected by using Tippet’s random number table.

Period of Study

As an essential part of the study, the primary data were collected for a period of 6 months from January 2012 to June 2012.

Tools For Data Collection

The present study is empirical in nature based on survey method. The first-hand information was collected from the establishment sections of the co-operative sugar mills. As an essential part of the study, the primary data were collected from 513 employees with the help of questionnaire. Pre-testing of questionnaire was done during December 2011, involving 25 respondents to know the relevance of the questions. In the light of pre-testing, few changes were incorporated in the questions and their sequences. The secondary data were collected mainly from the

journals, magazines, government reports, books and unpublished dissertations. The more relevant secondary sources of information were also collected from the Indian Institute of Management, Bangalore; Documentation Centre, Indian Council of Social Science Research, New Delhi; School of Economics, Delhi University, New Delhi; and Karnataka University, Dharwad. The data so collected were entered into a master table and tabulated to arrive at useful conclusions.

Human Resource Policies

A human resource policy provides a framework within which decisions can be taken without further reference to higher authorities. Human resource policies cover the principles and rules governing the dealings of the organization with its human resources, and set the tone for the administration of human resource programmes to the attainment of the objectives of the organization. The need for sound human resource policies stems from the fact that in order to achieve the overall objectives of the enterprise, an atmosphere has to be created in which optimum and spontaneous co-operation of the employees can be achieved. The extent to which they are written, communicated, and constantly applied may differ from organization to organization.

Human Resource Planning

One of the most important functions of the human resource management is human resource planning. It aims at ascertaining the current and future manpower needs of the organization both in right number and right kind. Human resource planning may thus be expressed as a process by which the management ensures the right number of people and right kind of people, at the right place, at the right time doing the right things for which they are suited for the achievement of goals of the organization. The ultimate purpose of manpower planning is to relate human resources to future enterprise need so as to maximize the future return on investment in human resources. The Commissioner of Sugar estimates the current and future needs of human resources based on crushing capacity of the mill.

TABLE .1

Approved and Existing Strengths of Employees as on 31.03.2012

Name of the Sugar Mill	Approved Strength	Existing Strength	Deficit
Salem Co-operative Sugar Mills	506	185	321
M.R.Krishnamurthy Co-operative Sugar Mills	495	409	86
N.P.K.R R Co-operative Sugar Mills	548	185	363
Dharmapuri District Co-operative Sugar Mills	505	306	199
Total	2054	1085	969

Source: Computed from Primary Data

It is seen from the above table that there were 1085 employees working in the select co-operative sugar mills as against the total approved strength of 2054 employees as on 31st March 2012. Thus, there was deficit strength of 969 employees in the select co-operative sugar mills. Thus, due to lack of scientific

human resource planning the select co-operative sugar mills are facing the problem of understaffing.

Recruitment And Selection

Recruitment and selection of human resources required in terms of number and kinds for meeting the demands of the organization are the vital functions of human resource management. Whenever new posts are created or the posts already in existence fall vacant due to termination, dismissal or resignation, the management of any organization would select the right man for the right job. Normally, the recruitment in the select co-operative sugar mills is made through employment exchange. When suitable candidates are not sponsored by the employment exchange, then by inviting applications through advertisement in at least one leading daily newspaper, direct recruitment is made. The state government shall appoint the Special Officer. The following authorities appoint the other employees of the co-operative sugar mills.

TABLE .2

Authorities to Appoint the Employees

Staff Category	Appointing Authority
Heads of Department	Special Officer on the recommendations of the committee with the prior approval of the Commissioner of Sugar.
All other staff including Special Officer. Workers	

Source: Special Byelaws of the Sugar Co-operatives

The principle of reservation of appointment for scheduled castes/scheduled tribes, most backward classes and backward classes followed by the state government for recruitment to the state and subordinate services is applicable to select co-operative sugar mills as well. The select co-operative sugar mills also adopt the policy of the state government in the matter of dependants of their employees dying in harness. No person shall be eligible for appointment for any post unless if he possesses the prescribed minimum educational qualification.

The Commissioner of Sugar who is the functional Registrar of co-operative sugar mills has power to constitute common cadre officers for co-operative sugar mills and frame special regulations from time to time governing the service conditions of the officers who come under the common cadre. The officers viz. Chief Engineer, Chief Chemist, Chief Cane Officer, Chief Accountant, Deputy Chief Engineer, Deputy Chief Chemist, Cane Development Officer, Officer Manager, Labour Welfare Officer, Medical Officer, Internal Auditor, and such other officers as notified by the Commissioner of Sugar from time to time shall come under the common cadre. However, in June, 1999 the designation of common cadre officers has been abolished and they are now called as erstwhile common cadre officers.

A person appointed to any post in the service of the co-operative sugar mills should be on probation for a total period of one year in actual service on the completion of which period he may be confirmed in the post, if his work, conduct, etc. have been satisfactory. The authorities take upto three years to decide whether the probationer is fit for regularization and confirmation, they may extend

it also. In case, an employee's work or conduct is not satisfactory, he may be terminated from service before the expiry of six months of his service. Out of four select co-operative sugar mills, only 15 supervisory staff was recruited in N.P.K.R.R. Co-operative Sugar Mills in the year 2011-012. Since there is no increase in staff strength commensurate with the increase in the operations of the select co-operative sugar mills, and the vacancies caused by resignation, retirements and death of the employees have not been filled-up. This is a serious lacuna in the human resource management of select co-operative sugar mills.

Training And Development

The training of employees in the select co-operative sugar mills could be categorized into two types namely training for technical staff and non-technical staff. The technical employees are deputed to attend the training programmes conducted by Sugar Research Institute, Vellore; National Sugar Institute, Kanpur; and Vasantdada Sugar Institute, Pune. The non-technical employees are attending the training programmes conducted by Natesan Co-operative Training College, Chennai. Employees in the select co-operative sugar mills were deputed during off-season to attend the training programmes without affecting the normal work of the organization. In rearguards to training and development, 10 officers, 5 supervisors and 55 workmen in Dharmapuri District Co-operative Sugar Mills; 15 officers and 25 supervisors in Salem Co-operative Sugar Mills; and only 1 officer in the N.P.K.R.R. Co-operative Sugar Mills attended training programmes during the last 5 years i.e. 2007-08 to 2011-12. The Dharmapuri District Co-operative Sugar Mills conducted 25 training programmes during the above said period.

Working Conditions

An employee spends most of his working time in the workplace. As such he has every right to expect that the environment of the workplace should be conducive to do work. The workplace should be free from noise, pollution, high temperature, excess heat, humidity, etc. The employer must accept the responsibility of providing pleasant, congenial healthy working place for the employees as the conditions of the work place have direct bearing on the productivity of the employees. The lighting, ventilation, noise, sanitation, furniture, enough space to work, clean and attractive office premise are the essential requirements of the work environment. Being a manufacturing organization, the select

co-operative sugar mills are kept in the purview of the Factories Act, 1948. As per the provisions stated with regard to working conditions in the Factories Act, the select co-operative sugar mills are maintaining conducive working conditions and established effluent treatment plants to prevent pollution.

Wage And Salary Administration

There exist two types of pay structure in the select co-operative sugar mills viz. pay scale for erstwhile common cadre officers and pay scale for others. The wage settlement is made once in every three years. The seasonal employees of the select co-operative sugar mills are not entitled to receive any salary during the lay-off period. However, the select co-operative sugar mills provide retaining allowance at prescribed rate to the total pay. The erstwhile common cadre officers are kept outside the purview of Wage Board and government pay scale is applicable to them.

Besides pay, the select co-operative sugar mills have provided various allowances to its employees such as variable dearness allowance, house rent allowance, medical allowance, washing allowance, retaining allowance, etc. All

other allowances except variable dearness allowance are given to employees as per the settlement of the Wage Board. The employees of the select co-operative sugar mills are engaged in overtime work. However, pay for the overtime work is paid by three different ways namely double the wage, credited in casual leave and paid single wage. Thus, no uniformity could be found in the payment of overtime wage in the select co-operative sugar mills.

Employee Motivation

Every concern requires physical, financial and human resources to accomplish the goals. It is through motivation that the human resources can be utilized by making full use of it. This can be done by building willingness in employees to work. This will help the enterprise in securing best possible utilization of resources. In the recent years, employers have recognized that the success of business is closely influenced by the motivation and professional capacity of their workforces. Accordingly, companies are faced with the challenge of increasing the level of employee commitment, job satisfaction and motivation. One of the weaknesses of the select co-operative sugar mills is that they are paying their employees deplorably low. Motivation through monetary incentives is lacking in the select co-operative sugar mills. Besides, they are rarely paid overtime salaries. In order to motivate the out-perform workers, the Salem Co-operative Sugar Mills has instituted 'best worker award'. Under this, the Special Officer of the mills gives the award to best worker to recognize his work in every year.

Promotion

Promotion implies an upward elevation of an individual in terms of job responsibilities, pay scale and status. Every organization has a policy, which provides the guidelines for promotion. A sound promotion policy encompasses such issues as merit and competence, promotional ladder, promotion from within or hiring from outside, etc. In the select co-operative sugar mills seniority-cum-merit is considered for the promotion of employees. Even though the promotion policy of the co-operative sugar mills is according to the rule based on seniority-cum-merit in actual practice seniority was the main criterion followed for promotion. A seniority list is prepared and displayed to the employees' knowledge in the select co-operative sugar mills. On certain occasion employees may refuse to accept promotions for a variety of reasons such as risks and the security of service involved in the new job, lack of self-confidence, the insignificant difference in the pay, the long association with fellow employees and the sense of security and stability associated with it. In this situation, when the employees gave their options in writing, next employee in the seniority list is promoted for that post. Satisfactory service in the present category of post held by him, minimum educational qualifications and recommendations of the respective department head and seniority of the employee are strictly followed in the promotion of employees in the select co-operative sugar mills.

Welfare Measures

The welfare measures provided by the select co-operative sugar mills are varied from mill to mill. The Salem Co-operative Sugar Mills and Dharmapuri District Co-operative Sugar Mills operate matriculation schools and polytechnic colleges for the benefits of the ward of the employees and the cane growers. There is a nursery and primary school in N.P.K.R.R. Co-operative Sugar Mills for the children of the employees, cane growers of the mills and the general public of the nearby villages. The select co-operative sugar mills is reimbursing the cost of the

text books and note books to the children of the employees restricted to maximum amount sanctioned by the Commissioner of Sugar.

The Payment of Gratuity Act, 1972 shall apply to the select co-operative sugar mills. When an employee, who has put in not less than ten years of satisfactory service in the co-operative sugar mill governed by the provisions of the Payment of Gratuity Act, 1972 retires from services or if dies while in service, it shall be competent for the Special Officer to sanction this as the case may be, a gratuity as may be specified in the bylaws of the society which shall be not less than three times the basic pay drawn by him on the date of retirement or death as the case may be. Every employee governed by the provisions of the Employees Provident Fund and Miscellaneous Provisions Act 1952 shall contribute to the Provident Fund in accordance with the Provisions of the Act. An employee of the co-operative sugar mill who has been regularized or confirmed contributes to the Employees' Provident Fund in accordance with the regulations framed by the Special Officer for the purpose with the approval of the Commissioner of Sugar.

Leave Facilities

As per the special bylaws, employees of the select co-operative sugar mills are entitled to various leave facilities. Every permanent employee of the co-operative sugar mill is eligible for casual leave not exceeding 12 days in the calendar year. In the case of seasonal employee he is eligible for a casual leave not exceeding 6 days in a calendar year or at the rate of one day for every month of actual service in a crushing season whichever is more. Employees of the select co-operative sugar mills are eligible to avail earned leave, sick leave and festival leave at 30 days, 12 days and 18 days respectively. Married woman employee having not more than 3 living children is eligible for maternity leave as per the provisions of the Maternity Benefit Act, 1961. All employees should submit their application for leave through the heads of their respective departments, who will indicate whether the grant of leave is recommended or not. The grant or refusal of leave shall be communicated to the employee. The grant of any leave shall be subject to the exigencies of work in the co-operative sugar mill. The following authorities are competent to sanction leave to the various categories of the employees in the co-operative sugar mills.

TABLE 3

Authorities Competent to Sanction Leave

Nature of Leave	Category of Employees	Authority Competent to Sanction Leave
Casual and other kinds of leave	Special Officer	Commissioner of Sugar
Casual and other kinds of leave	All employees including heads of departments	Special Officer or his nominee in writing.

Source: Special Byelaws of the Sugar Co-operatives

Workers' Participation In Management

The modern thinking on management is based on considering workers not merely as wage earners, but also as equal partners in the production process. They should be given the opportunity to participate in the management of the enterprise.

Their views and suggestions should be given due consideration while taking decisions by the management. It is rightly suggested that management of industrial units will be smooth and efficient if workers are associated with the management. Political democracy will remain formalistic and legalistic if it is not supplemented by industrial democracy. Such association of labour and management at various levels would lead to increased productivity for the general benefit of the enterprise, the employers and community, giving employees better understanding of their role in the working of the industry and in the process of production, satisfaction of the urge of self-expression in employees leading to industrial peace. The employees of the select co-operative sugar mills are consulted at unit level before taking major decisions affecting their normal employment. Besides, Quarters Committees, Entertainment Committees, Recreation Clubs and Temple Committees functioning in the select co-operative sugar mills look after the issues which are out of purview of the work aspects.

Performance Appraisal

With a view to identifying the areas, which require to be improved as well as the improvement of the performance of the employees at various levels in the select co-operative sugar mills, a performance appraisal system has been introduced. Under this system the departmental heads are the responsible persons to appraise the performance of employees. The departmental heads should give comments in the appraisal form about the performance, strength and weakness of the employee. They should submit the appraisal report to the Special Officer for further action. Though self-appraisal of an employee is one of the most important techniques of performance appraisal, at present, it is not followed in the select co-operative sugar mills.

Discipline

Discipline is the force that prompts in the select co-operative sugar mills to observe the rules, regulations and procedure that are deemed to be necessary for the effective functioning of the co-operative sugar mills. Every employee is, therefore, expected to observe disciplinary rules and codes of conduct. The special bylaws relating to the service conditions of the employees speak more about the order of conduct and discipline of the employees. Any employee of the co-operative sugar mill may for good and sufficient cause is punished in one or other of the following ways in the discretion of the authority competent to award punishment as shown in Table .4 that the special bylaws will not apply to an officer, whose services have been lent by Government.

TABLE .4

Authority Competent to Award Punishment

Employees	Authority Competent to				
	Censure Fine	or	Withhold Increment	Suspend	Dismiss
Special Officer	Commissioner of Sugar		Commissioner of Sugar	Commissioner of Sugar	Commissioner of Sugar
Any other employees including heads of departments	Special Officer or his nominee in writing		Special Officer or his nominee in writing	Special Officer	Special Officer

Source: Special Bylaws of the Sugar Co-operatives

No penalty shall be imposed on any employee unless he has given a reasonable opportunity of making any representation that he may desire to make. Such representations, if any, shall be taken into consideration before final orders are passed. Every order awarding a punishment shall be communicated to the employees concerned in writing stating the grounds on which the punishment has been awarded. Except in the case of warning, censure or fine an appeal shall lie against every order awarding a punishment to the appellate authority shown in Table .5 that the provisions of the special bylaws will not apply to an officer whose service has been lent by Government.

TABLE .5

Authority Competent to Dispose of Appeals

Cadre of the Applicant	Authority Competent to Dispose of Appeals Against	
	Stoppage Increment	of Suspension Reduction or Dismissal
Special Officer	Commissioner Sugar	of Commissioner Sugar
Heads of Department	Special Officer	Special Officer
All other Employees	Special Officer	Special Officer

Source: Special Byelaws of the Sugar Co-operatives

Collective Bargaining

Collective bargaining denotes a procedure under which two parties, namely, workers and management reach an agreement about wage and working conditions. Collective bargaining involves the process of union organization of employees; negotiation, administration, and interpretation of collective agreements covering wages, hours of work, and other conditions of employment; engaging in concerned economic action and dispute settlement procedures. The subject matter of collective bargaining is very wide and it covers a variety of issues affecting employment relationships between the workers and the management. The issues covered in the collective bargaining are recognition of union, wages and allowances, hours of work, leave and festival holidays, bonus and profit sharing schemes, seniority, fixation of workloads, issues relating to retrenchment and lay off, issues relating to social security measures, welfare facilities, grievance procedure, working conditions, and issues relating to employee discipline. The management of the select co-operative sugar mills invites all the trade unions irrespective of size and political affiliation to discuss matters kept in the purview of collective bargaining.

Grievance Redressal

There are many factors in industry that make a worker unhappy and dejected. A grievance is the embryo of more serious trouble to come because accumulation of minor grievances may lead to major explosions. Therefore, prompt and effective handling of grievances is the key to industrial peace. In the select co-operative sugar mills, employees with grievances first approach their immediate superior for redressal. If they are not given any relief, they approach the higher authority, when they have free access to them. The Special Officer is the competent authority to redress the grievances of employees in the select co-operative sugar mills. Though grievance redressal system has been instituted in the select co-

operative sugar mills to receive the grievances of employees through complaint box and open door policy, majority of the employees have problems with grievance redressal. Most of the grievances of the employees are in connection with the wages, promotion, welfare measures, acting allowance, pay for overtime work, etc.

Industrial Relations

Industrial relations refer to all types of relationship between all the parties concerned with the industry. The parties related to industry are the workers and the management representing the owners. State is another party associated with industrial relations. The interests of the employer and employees should be bridged towards common objectives of developing satisfactory atmosphere for both employer and employees by means of negotiations and mutual trust.

As far as co-operative enterprises are concerned, they uphold many social values such as eliminating exploitation, establishing social harmony between various sections of the society. These tasks can be accomplished only when cordial and healthy relationship exists between co-operatives and their employees. Therefore, there is an imperative need to improve the industrial relations in co-operatives in the interests of the co-operative, its employees, and in the interests of the entire community. Though there is an unsatisfactory organizational climate in the co-operative sugar mills, the relationship between the trade unions and the management is very cordial.

Conclusion

In this article an attempt is made to review the functions of human resource management of the select sugar co-operatives. None of the select co-operative sugar mills has a separate department for human resource function and the Special Officer of the mill carries out the human resource management functions. It plays a vital role to successfully run the selective co-operative sugar mills in Tamil Nadu. Employment exchange is the principal source of recruitment in the select co-operative sugar mills. Seniority-cum-merit is the main criterion followed for the promotion of employees. The employees have grievances with wages, promotion, welfare measures, acting allowance and pay for overtime work, there exist cordial relations between employees and management in the select co-operative sugar mills in Tamil Nadu.

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