

## **An Analysis of HRD Practices in Indian Cement Industries**

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### **Abstract:**

A HRD practice has become most important instrument for the societal development, business sustainability and individuals with social leadership capabilities. This is the time where organizations have to explore new frontiers and walk into newer arenas for achieving sustainable growth. The present study is an empirical investigation to ascertain the importance of HRD and its practices prevailing in the cement industries of North Karnataka. The study has made use of both primary and secondary data with 394 sample respondents. The type of questionnaire used in this study is close-ended for which simple percentage has been calculated. Hence, in order to remain competitive in future, the industrial sector in India has to enhance the skilled talent pool through good HRD practices. An attempt is made in this paper to assert the importance of HRD Practices in cement industries and has made a quantitative analysis approach to explore these critical issues.

**Keywords:** HRD, Importance, Role analysis of HRD Manager, Functions, Practices and Industry

### **Introduction**

The Indian cement industry is the second largest market after China accounting for about 8% of the total global production. The housing sector is the biggest demand driver of cement, accounting for about 67% of the total consumption. The other major consumers of cement include infrastructure (13%), commercial construction (11%) and industrial construction (9%). The Indian cement industry grew at a commendable rate in the last decade, registering a compounded growth of about 8%. However, the growth has slowed down in recent years owing to the sluggishness in the economy. Moreover, the per capita consumption of cement in India remains substantially poor when compared with the world average.

This underlines the tremendous scope for growth in the Indian cement industry in the long term. Cement, being a bulk commodity, is a freight intensive industry and transporting it over long distances can prove to be uneconomical. This has resulted in cement being largely a regional play with the industry divided into five main regions viz. north, south, west, east and the central region. The Southern region of India has the highest installed capacity, accounting for about one-third of the country's total installed cement capacity.

Cement is one of the manufacturing products, and manufacturing sector in India is the source for large-scale creation of new jobs. Mr. S. Gopalkrishnan, Former President, Confederation of Indian Industry expressed that the implementation of National Manufacturing Policy needs to be fast-tracked so that the National Investment and Manufacturing Zones (NIMZs) come up quickly including exemption from capital gain tax on sale of plant and machinery of a unit. NIMZ is one of the biggest policy rollouts of UPA government with a view to increase the share of manufacturing from 16 per cent to 25 per cent of the GDP. These NIMZs will be developed as standalone integrated industrial townships. The land will be the equity of state governments and government of India will provide infrastructure.

Human Resource Development is an “organised learning activities arranged within the organisation in order to improve performance and/or personal growth for the purpose of improving the job, the individual, and/or the organisation<sup>3</sup>.” It was first applied at an International level in 1968 in George Washington University. HRD includes the areas of training and development, career development and organisation level. It is related to Human Resource Management – a field that includes HR research and information systems, union/labour relations, employee assistance, compensation/benefits/ selection and staffing, performance management systems, HR planning, and organisation/job design<sup>4</sup>. HRD consists of all those organised series of programmes and activities, whether direct or indirect, instructional or individual that possibly results in development of employee, productivity, and profit of an organisation as a whole. It focuses on the goal of developing human potential and focuses on their learning techniques in life and work. HRD is a never-ending process because it is the field of study and practice responsible for the fostering of a long-term organisational goal.

Many organisation renaming their Human Resource Development department as Training and Development department where people use to enhance their knowledge and skills.

### **Role of HRD in Cement Industry**

Human Resource Development today has acquired a status of important function of any organisation. HRD today is a process by which the employees of an organization are helped in a continuous planned way to acquire or sharpen capabilities required to perform various functions associated with their present or expected future jobs. It aids to develop the employee’s general capabilities as individuals and discover and exploit their own inner potentials for organisational development purposes.

### **Role Analysis of HRD Manager**

The HRD manager has primary responsibility for all HRD activities. This person must integrate the HRD programmes with the goals and strategies of the organisation, and normally assumes a leadership and challenging role in the executive development. One of the important tasks of the HRD manager is to promote the value of HRD as a means of ensuring that organisational members have the competencies to meet current and future job demands. If senior managers do not understand the value of HRD, it will be difficult for the HRD executive to get their commitment to HRD efforts and to justify the expenditure of funds during tough times.

### **Role and Functions of HR Manager in Cement Industry**

All managers have direct responsibility for the human assets (people) in an organisation and are responsible for activities and decisions concerning personnel. In this paradigm there is a need for effective manager. The HR Manager should train others to do jobs because everything cannot be done by him nor can others do if they have not been trained properly. The HR manger should know that the success of any organisation depends upon skilled and knowledgeable human resource. Therefore, managed companies provide enough resources for training of their employees to maintain a viable and knowledgeable workforce.

Every HR manager has to build up his or her human capital. Sumantra Ghoshal the management thinker speaks of three kinds of 'human capital' – Intellectual Capital, Social Capital

and Emotional Capital. Human Resource is a highly competitive and fragmented valuable resource poised for enormous demand in the current competitive environment and as such countries around the world invest in their human resources infrastructure as first priority. Human resources are the most important asset for any organisation or industry for optimal.

Hence, in the light of significance of Human Resource Development in an industrial set up, the present study is an empirical investigation to ascertain the importance of HRD and its practices prevailing in the cement industries of North Karnataka.

### **Statement of the Problem**

North Karnataka is one of the states where largest production of cement gets manufactured. According to Business Standards, the ministry of commerce and industry has approved for National Investment and Manufacturing Zones (NIMZ) in Karnataka. The second and third NIMZs will be set up at Bidar and Gulbarga and this is going to get a new look for the industrial sector at the particular location. The ministry has already sanctioned the first such zone in Tumkur. Therefore, the present study is an attempt to review the HRD in Cement Industries of North Karnataka. This would enable to devise a comprehensive Human Resource Development framework within the area of North Karnataka, so as to proactively function in the changing environment.

### **Literature Review**

According to the Krupa and Tarjani (2013) in their article on "Effect of HRD Climate in Private Sectors Banks at Bhavnagar District" it is understood that the business organizations are attaching great importance to human resource because human resources are the biggest source of competitive advantage and have the capability of converting all the other resources in to product/service. They also found that HRD climate is very important for all the organization and the present study is an attempt to find out the type of HRD climate that is prevailing in public sector banks in Bhavnagar. The researcher has also tried to find out the difference in the perception of employees regarding HRD climate based on age, gender, designation, qualification.

Hence, this paper tries to study about the HRD climate in Privet Sector Banks at Bhavnagar district and offering useful suggestions to the management involved in the operations of the banks.

Prof. V Narasimha Rao and K Srinivas (2013), conducted a study on "Human Resource Development Practices in Indian Information Technology Sector – an Empirical Study of Emerging Trends". According to them, there is a rapid development in modern and competitive era, which is possible only through effective human resource development practices. The objective of the study is to analyse and observe various theoretical issues in human resource development changing over time in IT industry. They found that information technology industry is one of the fastest growing, knowledge and skill intensive industries in India and identifies that the emerging trends of Indian Information Technology cannot be managed by the old

human resource development practices and it all depends on intellectual capital that it possesses.

**Research Objectives**

- To examine the importance of Human Resource Development in cement units
- To analyse HRD practices in the selected units and
- To understand how human resource development systems are helpful to attain knowledgeable and effective employees

**Sources of Data**

The study has made use of both primary and secondary data; Primary data are collected through the execution of a structured questionnaire and personal interview method. However, pertinent information and data was also extracted from secondary sources i.e., published research papers, reports, research studies and internet.

**Sample Size**

The sample is a subset of population and is as per convenience sampling. The sample size is different in different organizations. The universe for the study is North Karnataka, which consists with 12 numbers of cement units, including small, medium and large-scale units. The study is focused mainly on three large-scale units of cement in North Karnataka i.e., Rajashree Cements, Vasavadatta Cements and Associated Cement Company (ACC) as these are the effective large scale industries where HRD mechanisms could be studied.

**Analysis of Human Resource Development in Selected Sample Units:**

The analysis made on the part of HRD is commonly asked to all the 394 sample respondents, where the results are calculated on simple percentage:

**Table 1: Distribution of sample based on Education Qualification**

<b>Educational Qualification</b>	<b>Frequency</b>	<b>Percentage</b>
Post Graduation	4	1
Graduation	159	40
Diploma	54	14
Other	177	45
Total	394	100.0

**Source:** Field Investigation

Table No. 1 shows the qualification of the respondents and more number of respondent are from other degree, which includes ITIs with professional and technical trainings like ATS. This is significant feature of the cement industry that 40 per cent are from Graduates and 14 per cent are Diploma. Only, 1 per cent of respondents are from PG education.

**Table 2: Distribution of sample based on Job Experience**

<b>Experience</b>	<b>Frequency</b>	<b>Percentage</b>
Below 1 Year	109	28
2 – 3 Year	44	11
4 – 5 Year	96	24
6 – 10 Years	49	13
10 Years and Above	96	24
Total	394	100.0

**Source:** Field Investigation

The above table clearly shows that the companies have more employees whose experience on the job is well below 1 year. This may be one of major reasons for these companies to have more number of training programs. The second maximum of the respondents are with the experience of 10 years and above. 11 per cent of respondents are with the experience of 2-3 years and the experience with 4-5 years is 13 per cent of the respondents.

**Table 3: Importance of Human Resource Development**

<b>Importance of HRD</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	382	97
No	12	3
Total	394	100.0

**Source:** Field Investigation

It is found from the above table that 97 per cent of the respondents think development of human resource is very important and only 3 per cent believe that there is no such aim to improve the employees. Thus, it is clear that there is lot of scope for the importance of HRD in cement units and they have to treat more humanly.

**Table 4: Top management invests part of their time and other resources to ensure the development of employees**

<b>Invest of time by the top management</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	210	53
No	184	47
Total	394	100.0

**Source:** Field Investigation

The above table infers that around 53 per cent of the respondents think that top management is willing to invest a considerable part of their time and other resources to ensure the development of their employees, whereas, 47 per cent of the respondents do not think the same. This clears that the top management listens and

incorporate at a well extent with their employees that, helps in better communication among top levels and followed employees.

**Table 5: HRD Practices in Cement Industry**

<b>Sector has better HRD Practices</b>	<b>Frequency</b>	<b>Percentage</b>
Private	238	60
Public	156	40
Total	394	100.0

**Source:** Field Investigation

According to above table around 60 per cent of respondents' states that as they felt private sectors has better HRD Practices than Public sectors and rest of 40 per cent disagrees with the same. In this global field, private sectors are more competitive and ties with more work than public sectors, while in the field of cement unit's private sectors companies run more than any other.

**Table 6: HRD Problems in the Organisation**

<b>Most pressing HRD problems</b>	<b>Frequency</b>	<b>Percentage</b>
Recruitment	140	36
Performance Appraisal	202	51
Training	21	5
Others	31	8
Total	394	100.0

**Source:** Field Investigation

Table 6 enquires the respondents about the HRD practices problems. It is felt that performance appraisal is the most pressing problem faced by the HR Department with 51 per cent as the problem phenomenon is proved. This may be due to lack of appropriate performance appraisal system. Recruitment is the second big problem faced by the companies with 36 per cent o the respondents' views. While training was treated as problematic issue too with proved with 5 per cent. Finally, 8 per cent of respondents proved with others such as communication and selection. Thus, the major problems of HRD are recruitment and performance appraisal.

**Table 7: Focus of HRD Policies**

<b>Focus of HRD Policies</b>	<b>Frequency</b>	<b>Percentage</b>
Production	196	50
Human Resource	100	25
Profit	8	2
Others	90	23
Total	394	100.0

**Source:** Field Investigation

The above table shows that 50 per cent of the respondents said that the focus of their organisation is on productivity and 25 per cent of them felt the focus is on HR. 2 per cent of respondents felt that the focal point of their HRD policies is profit oriented and another 23 per cent deemed the focus on others such as cordial relations among employees and welfare of the employees. This derives that the employees were enquired regarding the focus of HRD policy in their particular organisation.

**Table 8: Employees are encouraged to experiment with new methods**

<b>Encouragement to Employees</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	198	50
No	196	50
Total	394	100.0

**Source:** Field Investigation

The above table examines that around 50 per cent of respondents says ‘yes’ and rest of 50 per cent of respondents says ‘no’, that employees are encouraged to experiment with new methods. Usually, in the organisation such chances are given to the employees because it develops the performance and create new ideas among the employees.

**Table 9: Job rotation in this organisation facilitates employee development**

<b>Job Rotation</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	290	74
No	104	26
Total	394	100.0

**Source:** Field Investigation

Around 74 per cent of respondents are satisfied with job rotation that helps to facilitate employee development, while 26 per cent, however, are not satisfied with the same in the above table. This infers that employees have learned while the time of job rotation, especially those who are less experienced and the employee who is more experienced may not find any new in job rotation.

### **Recommendations**

1. The study examines that employees in this industry have learned through job rotation also and this increases employee job responsibility at different level as well as aids in enhancing the knowledge and performance of the company. Therefore, there is a need for job rotation practices.
2. It is recommended that the management should create good climate in the industry by conducting formal type of discussion before training needs are identified. This helps employees to discuss with their supervisors without any hesitation
3. Necessary changes should be introduced in HR policies and practices

4. Men are one of the major sources for development of any industry, maintaining human resource is nothing but maintenance of industrial source. This source has to be developed according to the changing environment
5. HR policies of the organization should be such that which encourages the employees to contribute their best
6. Team Spirit should be encouraged among the employees

### **Conclusion**

Manufacturing is the organized activity devoted to the transformation of raw material into marketable goods. The manufacturing industries are the backbone of the national economy, because it is mainly through their activities that the real wealth is created. In cement industry HRD is the term used to describe an integrated and holistic, conscious and proactive approach to changing work related knowledge and behaviour, using a range of learning strategies and techniques. These strategies and techniques are generally indented to help individuals, groups and organisation where they realise their potential for working that allows for individuality and enhances effectiveness within particular context. HRD systems should be designed to strengthen other functions in the company such as long-range corporate planning, budgeting and finance, etc. These linkages are extremely important in manufacturing concerns.

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