



## INSIGHTS INTO THE HRM SCENARIO OF INDIAN SUGAR INDUSTRY

**Ms. Nidhi Oswal<sup>1</sup>**

<sup>1</sup>Department of General Education, Al Khawarizmi International College, Abu Dhabi, UAE

**Prof. G.L.Narayanappa<sup>2</sup>**

<sup>2</sup>School of Commerce and Management, Dravidian University, Srinivasavanam, Kuppam, Andhra Pradesh, India

### ABSTRACT

**T**he linkage between Human Resource Management (HRM) practices and organizational performance is well investigated. Through this paper, we hope to underwrite to a better understanding of the role of human resource practices in building and sustaining organizational performance, explicitly in the Indian context. We note that almost all of the published theory-building, as well as empirical research in this area is conducted in societies other than the Indian society. On the other hand, the socio-cultural context of organizations in India is uniquely different.

**KEYWORDS:** Human Resource Management, Human Resource Practices, Organizational performance

### BACK DROP

Human resources is one of the utmost valuable and unique assets of an organization. According to Leon.C. Megginson, the term human resources mean Dictions to “the total knowledge, skills, creative abilities, talents and aptitudes of an organization’s workforce, as well as the values, attitudes, and beliefs of the individuals. Human resource management is one of the utmost difficult and challenging fields of contemporary management. A human resource manager has to build up an effective workforce, handle the potentials of the employees and certify that they accomplish at their best. Employees also have to take into account the firm’s responsibilities to the society that it activates in. According to Byars and Rue, Say “Human Resource Management includes those actions intended to provide for and synchronize the human resources of an organization”.<sup>(1)</sup>

### INTRODUCTION- INDIAN SUGAR INDUSTRY

India has now emerged as the leading sugar producing country in the world, with a 22 percent of the share of the global sugar production. Indian Sugar industry is the second largest agro-based industry in the country. It ranks the third largest industry in terms of its involvement to the net value added by manufacture and employees about 3.50 lacks peoples, moreover generating widespread indirect employment to 45 million farmers of sugarcane grower, the various agencies of distributive trade and through auxiliary industries such as confectionary. The human resource has measured the backbone of any economic enterprise. In recent years, the economists have added “Human resource” besides land, capital, and technology as one of the key factors for building and developing the nation.



The optimal consumption of natural resources and other the factor inputs of capital and technology depend on the size of use of human resources. Complementary other resources, this resource present its own unique characteristics of all resources, which are connecting to begin any economic enterprise. It is a fact that the survival of an association between human resource and business performance. The Indian economic scenario on account of LPG is undertaking a fundamental structural change affecting all walks of life. In the wake of the ever-increasing challenge, many of the conventional organizations are grappling to survival. Well again approaches to human resource management, consequently, assumes better importance in solving complex, social, economic, legal and ethical matters. Thus, through a well-organized human resource function, a company's human resources become essentially a strategic asset.<sup>(2)</sup>

## NEED & IMPORTANCE OF THE STUDY

The Sugar industry is one of the essential agro based industries which contributes significantly to the growth of the world economy by facilitating huge scale direct employment to thousands of peoples and indirect employment to lakhs of sugar cane farmers and agricultural workers in the rural areas, to the people who are involved in cultivation of cane, harvesting, transport and other services. At present there are high expectations from HRD. By considering the significance of human resource in organization, an endeavor was made in the study to review the HRD Practices in the sugar mills. The study also widens the attitude of employees about HRD structure and problems faced by the employees. Examined the issues that influence the practices of Human Resource Management

## SUGAR INDUSTRY-HRM SCENARIO

Sugar industry is an agro based industry. Industry success depends up on the amalgamation of human resources, capital, equipment and raw material. However, human resource is considered as key asset of production, which requires individual consideration. In India, context the policies and practices relating to Human Resource Management in Sugar industry concentrate on the recruitment and selection procedures, training and development, wages, incentives and welfare facilities which are governed by the government Acts and legislation enacted by the government and central wage board on sugar industry. The working of sugar industry in all the states of India is regulated by the Indian Factory Act, 1948. The problems of human resource in the Sugar industry

are abnormal, as most of the sugar factories are situated in the rural areas of country. the managers are drawn from upper levels of society, the workers are usually drawn from the agricultural background. It is a considerable fact that sugar industry is a seasonal one and so that the workers have opportunity to employ only during the period of crushing season which generally lasts for five to six months. Though, the industry needs to uphold the managerial staff and at least 40 to 50 percent of human resource require to be employed on permanent basis. Consequently, most of the employees may not have regular and suitable employment throughout the off season when the industry is not having working. Further majority of the temporary and seasonal workers have no security that they would be re-employed at the time commencement of the subsequent crushing season. Moreover, the Sugar industry is unsystematic and consequently does not have power of any bargaining capacity. In this circumstance, it is interesting to note that the labor integration committee at the time of its investigation and that found that workers were usually employed at the gate through the heads of the departments. The supervisory, technical or superior staff was selected by the General Manager in consultation with the Management; this specifies the development of suitable policy of HRM in sugar industry<sup>(3)</sup>. The central wage board of the sugar industry has advanced explicit policy guidelines to be accomplished in conspicuous apprentices and learners in the sugar industries. Regarding their employment, it suggested that:

- I) No apprentices shall be engaged for unskilled manual job;
- II) An apprentice shall not be paid less than sixty per cent of the minimum basis wages and dearness allowances or consolidated wages, as the case may be, of the occupation in which he is getting training;
- III) The duration of apprenticeship in a Sugar factory shall not surpass two years. Concerning the absenteeism in Sugar industry in India, it can be said that absenteeism is at the abnormal level of 40 %.
- IV) Certain industries in various seasons. It validates the need for developing suitable policy in this course. However, the grounds of absenteeism have been found which can be summed up as in depth below
  - i) Lack of attentiveness and satisfaction in the job;
  - ii) Personnel instability;
  - iii) Recklessness;

- iv) Problematic such as transportation, housing and home problems; and Sickness.
- v) Wages constitute an important factor for productivity. But India has no feasible wage policy till now.

The several committees set up by the government of India consist of the fair wage committee, the minimum wage committee, the tripartite wage boards, the Bipartite wage negotiating committees and even judgment by the supreme court in wage amendment appeals and resolution by industrial tribunals, labor appellate tribunals have struggled with the problem of wages. No coherent wage policy has developed so far enchanting all kinds productive fields comprising sugar industry. Collective Bargaining with its restraints such as multiple trade unions has not succeeded. According to the references of the second wage board, employees in supervisory, clerical, highly skilled grades are receiving a retaining allowance and those in the semi-skilled grade at 25 % of their monthly basic pay and dearness allowances. This is the policy generally implemented by the sugar industry retaining allowance to periodical workers. The scheme of gratuity is pertinent to all permanent and seasonal workers, excluding apprentices employed concerned with sugar factors. As per the policy worked out by the Government on the endorsements of the first wage board report, the gratuity amount is fixed at one half of a month pay to permanent and one fourth of a month's pay to a seasonal workmen for every continuous year or season of services, as the case may be, subject to minimum of 15 percent of month pay<sup>(4)</sup>. This is mature in the death of an employee while in employment notwithstanding of the length of the services or on the retirement or regression due to persistent ill health or on the attainment age of retirement. No gratuity is payable to a workman who is discharged from the services for the serious misconduct such as disobedience moral improbity, damage to the property employer or financial loss to the employer. The gratuity and Bonus are payable to the worker in the terms of the provision of the payment of Bonus, 1972 as revised from time to time. The policy guiding superannuating fixed the age of superannuation at the age of 58 years. The superannuation age is fixed at 60 based on the recommendation of the third wage board of so far industry. Concerning to labor welfare facility in the sugar industry, it can be said that welfare measures are introduced to conflicting with the sense of frustration of workers. According to the labor investigation committee, educational amenities existed in most of the sugar mills in India. Likewise, majorities of the sugar industries afford

dispensary where medical facility at free of cost to workers and their dependents. The third wage board recommends to the medical officer and staffs are authorized to revised scale of pay for effective performance. In India factories, Act 1948, shops and establishment Acts have lawful provision with concern to employee's safety, health, working environments comprising matters such as sanitation hygiene, lighting, drinking water and restructurings. The pertinent laws also afford for subsidized canteens. The policy concerning associating workers with management to ensure close collaboration and any increased share in the affairs of the industry received official recognition in India since the second five-year plan<sup>(5)</sup>.

### **PRIVATE SUGAR MILLS AND HRM PRACTICES**

Private institutions comprise of a remarkable quantum of human resources. The effective and innovative human resource management is equally significant for all categories of private originalities. The reasons lie comparatively in the abnormal growth of small-sized enterprises and judiciously in the lack of consciousness of problems of human resources. The majority of the private sugar mills are insignificant in their size and setups. Hence, they are not conscious of the human resource management practices. However in a large-scale private sector like private sugar factories the chairman and the board of directors are likely to be aware of the human resource management practices. With the passage of time, human resource management in private had turned into the consequence of widespread disappointment of the employees. Disappointing working conditions, the narrow scope for individual growth absence of professionalism in the field of human resource management and related thirteen drawbacks have led to the disappointment to the workers. The private sector is one of the foremost sectors of the economy, cannot afford to be satisfied with the status quo for the coming years. In the private sector, little effort has been made to verbalize and disseminate knowledge and skills of human resource management system owing to the reasons elucidated above. So, struggles are to be engaged to crack the problems mentioned. The absenteeism of a strong human resource management has caused the rise of most of the difficulties of the private sector and created problems of constancy and growth and has also lagged the process of development. Outlining of an appropriate human resource management system has at this time turned into essential, as the circumstances of the economy have changed substantially, demanding to the introduction of new

technology. Human resource management is both the foundation and fountain of developing comprehensive infrastructure- professionalized management in the private sector. In this way, the human resource management plays a fundamental role in the execution of strategic management of private sector, which is human-centered, value-led and culture-dependent. The private sector institutions in the country are yet to develop systematic Human Resource policies. There are no measures at present for long-term manpower planning and subsequently for staff development. Lack of a systematic approach to recruitment of personnel, training, and placement has been one of the barriers in the professionalization of management<sup>(6)</sup>.

## CONCLUSION

India has now emerged as the leading sugar producing country in the world, with a 22 percent of the share of the global sugar production. Indian Sugar industry is the second largest agro-based industry in the country. The sugar industry is an agro based industry. Industry success depends on up on the amalgamation of human resources, capital, equipment and raw material. However, human resource is considered as a key asset of production, which requires individual consideration. In India, context the policies and practices relating to Human Resource Management in Sugar industry concentrate on the recruitment and selection procedures, training and development, wages, incentives and welfare facilities which are governed by the government Acts and legislation enacted by the government and central wage board on the sugar industry. employees in supervisory, clerical, highly skilled grades are receiving a retaining allowance and those in the semi-skilled grade at 25 % of their monthly basic

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