

A Descriptive Study on HRM Practice in Small Scale Confectionery Units With Special Reference to Ambarnath-Ulhasnagar-Vithalwadi-Kalyan Belt, Thane District, Maharashtra



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ABSTRACT

An organization is made up of four sources, namely men, material, money and machinery. Of these, the first one is living one, i.e. human and other three are non living i.e. non human. It is the human/people that make use of non human resources. Hence people are the most significant resources in an organization. (S.Chand, 2010). It is quoted by the great management expert, L.F.Urwick that, "business houses are made or broken in the long-run not by markets or capital, patents, or equipments, but by men". Thus managing the human resource is critically important for the success of business houses and business as well. Like multinationals and large scale industries, small scale units also require to adopt the Human Resource Management practices in the right way in order to keep their organization running the business in an effective way. This paper focuses on the policy with regards to HRM practices implemented by the small scale confectionery units located in Ambarnath-Ulhasnagar-Vithalwadi-Kalyan Belt in District of Thane, Maharashtra. It highlights the problems faced and difficulties encountered in the way towards adoption and following of HRM practice in these units.

Outline

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Introduction

A rewarding feature of economic development in India has been the impressive growth of entrepreneurs, particularly in modern small-scale industries. The diversified, rapid growth of small scale industries is a significant feature of India's economic development in recent years. (Desai V., 2005). In the recent times, it is very well understood that these small scale industries constitute a key link in the process of socio-economic transformation of underdeveloped social structures.

These small scale industries which are contributing directly to the growth of our economy face certain challenges in management of their businesses. One of the major challenges faced by these units is "People Management" which is also referred as "Human Resource Management". It is Human Resource Practice of the organizations, which select the talented and skillful professional for the organization, which are the key for the successful running of the organization. Human resource management is responsible for the betterment of the organization as well as same for the employees. Employees can give their maximum output if they are satisfied with the conditions and environment provided by the organization, otherwise it can be difficult for the management to fulfill its task and meeting its objective. That is why all the organization today pays main attention on its HR departments so that it can hire suitable candidate for its requirements. However, story completely changes when it comes to the small-scale industries. Needless to say HR is also

important here for the all round development of the business but its financial and budgetary restrictions do not allow for the same. The lack of talented and skillful professional can left bigger impact on the future of the business aspects and its budgetary support does not allow appointing HR professionals. Certainly it is not always easy for Small Scale industries to deploy HRM policies properly.

The present study emphasizes the analysis of Human Resource Management practice implemented in the Small Scale Confectionery Industries (SSCIs) located in Ambarnath-Ulhasnagar-Vithalwadi-Kalyan Belt of Thane District, Maharashtra. The study focuses on some of the most important HR practices, which form of the core of human resource management. The areas, which are picked up are:

- 1) Human Resource Planning
- 2) Recruitment and Selection
- 3) Training and Development
- 4) Performance Appraisal

2. Objectives

1. To study the HRMP adopted in the SSCIs.
2. To know about the economics of HRMP adopted by SSCIs.
3. To comprehend the problems (if any) in adoption of HRMP by SSCIs
4. To recommend the measures for successful implementation of Human Resource Management in SSCIs.

3. Research Methodology

3.1 Collection of Data

Data was collected with the help of a survey. Pre-designed questionnaire was used to collect the data from the respondents. Respondents were the owners or the senior employees of small scale confectionery units located in Ambarnath, Ulhasnagar, Vithalwadi and Kalyan of Thane district, Maharashtra. This was the source of primary information. Apart from collecting information from primary sources, literature was extensively assessed through various books, research reports, periodicals, journals and also web media

3.2 Research Design and Sampling Technique

The research design method used for the study was Exploratory and Observational on the basis of selected samples for the research project. And the sampling method used was Random Sampling

3.3 Sample Size

There are around 52 small scale confectionery units in Ambarnath-Ulhasnagar-Vithalwadi-Kalyan of Thane district, Maharashtra which constitute the universe for the study. In order to have the descriptive study, sample of 25 units was selected for the study.

4. About Small Scale Confectionery Units in Ambarnath-Ulhasnagar-Vithalwadi-Kalyan Belt Ambarnath, Ulhasnagar, Vithalwadi and Kalyan are the popular towns located in the Thane district, near about 60 kilometers away from the Mumbai metropolitan. The belt is famous for small industries involved in manufacturing of various day-to-day use products like soaps, shampoos, cosmetics, facial creams, powders, simple electronic items, textiles and apparels, food processing, confectionery, bakery, footwear, jewellery, stationery and many more.

Confectionery is one of the familiar products, manufactured in the belt. Confectionery industry comprises of making toffees or candies with the help of special machinery like boilers. Many units conduct this production, manually with the help of labour. In all there are 52 confectionery units of which almost 60 per cent operates with the help of boilers. Labour is mainly required to operate boilers and for packaging in these units. Number of employees in each unit can vary from 40 to 250 workers depending on the capacity of the unit. There is ample of scope for these units to follow the Human Resource Management practice in their organizations.

5. Findings

5.1 Human Resource Planning

Most of the organizations do not have proper Human Resource Management practice within their gamut of operational activities. Not a single organization is involved in Human Resource Planning function

as they never conduct any analysis of demand and supply of workers. All the owners said that they have no knowledge about such function of Human Resource Management.

5.2 Recruitment and Selection

Recruitment and Selection is done very casually. It is done mainly with the help of references. Most of the workers which are appointed are recruited with the references of the existing employees. These workers are generally the migrants from rural areas of Maharashtra or many of them have migrated from other states like Bihar and Uttar Pradesh. Appointment through Job Advertisements, Employment Exchanges, Local consulting firms, etc. is not at all done in these units. Most of the organizations lack knowledge about proper sources of recruitment. Many organizations opined that there is no use of such methods of recruitment and selection. Further, in not a single organization formal interview, employment test, medical check-up is conducted during appointment of workers. Informal interview is the only tool through which workers are appointed.

5.3 Training

Training is yet another neglected area in these organizations. Though many organizations appoint untrained workers, but still training devices are not designed aptly. The only method of training used is off-the-job. Again, not a single organization conducts training needs assessment for seeking training needs within the workers. Again, many organizations do not have knowledge about other methods of training and their importance.

5.4 Performance Appraisal

Several respondents said that they are hearing the term "performance appraisal" for the first time so they have no knowledge about this function, while many others said that there is no use of performance appraisal. However, most of the respondents said that they try to understand measure the performance of the employees by counting the number of units produced and then comparing it with the standards set. Thus even, performance appraisal is also the ignored function within these small scale units.

5.5 Other Findings:

While asked about any other role of HR function observed in these small scale units, it was understood that:

- Generally the labour is contractual in nature.
- Very few employees are permanent.
- Organizations are following the practice of PF, ESI and other statutory requirements as well.
- Some organizations commented that they follow proper leave rules as per the requirements of the gov-

ernment. • Wages / Salaries as also paid as per the industry norms. Even overtime wage system exists as per statute. • Following HRM practice can be costly that's why it is avoided. • Employee turnover is very high in these units. • Most of the times, owners are busy with production activities. So hardly any time is left for the HR activities to be conducted formally.

Conclusion

Small Scale Confectionery Units in AUVK belt of Thane District Maharashtra, in general are having somewhat apathy towards HRM practices. Lack of resources and more importantly lack of will leads to non-existence of such practices. In many cases owners are even not found to be aware of them. The HRM policy is a neglected area in majority of the units in this sector. If at all such policy is in existence in any of these

units, it is mostly related to fulfilling government statutory requirement. Mostly leave rules, and policies concerned with PF, gratuity, superannuation, grievance handling are found to be existing which are mostly defined by statutes. In very few units employee training and development policy, recruitment and selection policy are framed and followed although not very religiously. HRM practice can be adopted in these organizations only if entrepreneurs take interest in the same. Desire for implementation from their side is must. As far as knowledge is concerned, it could be gained with the help of consultants, thus only thing required is willingness of these entrepreneurs for following HRM practices in the apt way.

Annexure

Questionnaire on Human Resource Management Practice in Small Scale Industries

(Please fill all the details. Information will be kept confidential)

Name of the Organization: _____ Products _____

Name of the Owner : _____

Age of the Owner : _____ Educational Qualifications: _____

- 1 What is the number of employees in your organization?
 - a) Less than 50
 - b) Between 51 to 100
 - c) Between 101 to 150
 - d) Between 151 to 200
 - e) More than 200
- 2 What kind of labour you require in your organization?
 - a) Skilled
 - b) Unskilled
 - c) Combination of Both
- 3 If combination of both is required, then
 - a) No. of SW is more than USW
 - b) No. of USW is more than SW
 - c) Both SW and USW are in equal No.
- 4 At any point of time, does your organization make the demand and supply analysis of labour?
 - a) Yes
 - b) No
- 5 How are employees recruited?
 - a) Job Ads in Newspapers
 - b) Employment Exchange
 - c) Local Consulting Firms
 - d) Referrals
 - e) Any Other _____ (Specify if any other)
- 6 Does your organization follow the steps mentioned below in the process of recruitment?

a) Checking of credentials/Qualification Grades	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
b) Conducting of any type of Formal interview	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
c) Conducting any type of informal interview	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
d) Conducting any type of selection test	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
e) Conducting any type of Medical check	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
f) Obtaining References	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>

- 7 Does your organization always appoint only trained employees?
a) Yes b) No
- 8 Which method of training is used for the workers?
a) On the Job b) Off the Job
- 9 Is any Need Analysis done for finding out training needs among the workers?
a) Yes b) No
- 10 How do you measure the performance of your employees?
a) Comparing Output with Standards b) By Observation Method
c) Any Other Method _____ (Specify if any other)
- 11 Do you think that there is need for?
a) Conducting demand and supply analysis YES NO No Knowledge
b) Some more Apt Recruitment Methods YES NO No Knowledge
c) Proper Selection Procedure YES NO No Knowledge
d) Need Analysis for Training YES NO No Knowledge
e) Other Methods of Training YES NO No Knowledge
f) Other Methods of Performance Appraisal YES NO No Knowledge
- 12 Any Other Comment on HR Practice followed within your organization
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