

## A STUDY ON EXISTENCE OF HRM SYSTEMS AND PRACTICES IN IDUKKI DISTRICT TEA UNITS

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### INTRODUCTION

Within the literature, although there are some examples of thriving firms (e.g. Ackroyd, 1995), most of the research seems to demonstrate that the firms can be in a considerably disadvantaged position, when compared with the larger firm; the “bleak house” scenario as Bacon et al., (1996) describe it. When looking more specifically at HR practices, training, for example, has been given considerable attention (e.g. Arthur and Hendry, 1990; Storey and Westhead, 1997; Abbot, 1994), with the general conclusion that groups of employees in small firms are less likely to have access to structured training provision than their large firm counterparts. Indeed Storey and Westhead (1997) suggest that there appears to be a linear relationship between the size of a firm and the amount of formal structural training provision. The difficulties associated with training are commented on in most of the studies that address business organisations and their general performance. Holiday (1995), for example conducted a series of ethnographic case studies in manufacturing industries. She concluded that training was very limited in each of the firms she studied.

Marlow and Patton, D., (1993), utilized Storey’s framework in a comparison of the use of HRM practices in 16 manufacturing companies. Their analysis suggested that very few had adopted a strategic approach to HRM, rather the most common practices in use related to a more traditional small firm approach than any proactive attempt to adopt HRM. They point out that the most striking result from their findings was the large amount of variety that exists in relation to HR practices.

One of the problems that complicate the issue of making generalizations about the current climate for manufacturing industries and their use of HR practices is the rich diversity of firms that come under that label.

### Need for the Study

After globalization, all industries are realizing the importance of human management practices at their units. The cost of acquiring new employees in work is higher than the cost of retaining existing employees. The employees are having wider knowledge and scope to get employment as per their interest. Sometimes the announcement of freebies by the Governments increases the reluctance to engage in employment among the

employees. There is a hectic competition in the international market. With these pressures, the manufacturing industries are struggling to survive in the globalised market, because the foreign manufacturing firms adopted effective cost minimization strategy and put a lot of pressure on the domestic market. In order to survive in the market, they have to enrich labour productivity, adopt cost cutting strategies and quality assurance strategies at their units. For that implementation, there should be a proper HRM management in units.

It is imperative to analyse what the employees feel about the HRM practices and systems at their units in order to formulate employee friendly HRM practices at the tea units in India. Hence the present study has made an attempt on this aspect.

### **Related Review of Previous Studies**

Zulfquar et al., (2012) indicated that two HR practices namely performance evaluation and promotion practices are significant that compensation practices are not significant. Moreover, this study provides help for top management of banking sector to design or revise their HR policies and make practices to attain high employee performance.

Hooi (2007) have indicated enough evidence in support positive relationship between HRM practices, commitment and employee satisfaction.

Kiss and Poor (2006) highlighted problems of recruitment and selection in association with the incapability of the smaller businesses to buy in the services of skilled human resource management consultants. Moreover, investment in human resources falls behind investments in real estate, machinery or software.

Dr. Horen Goowalla (2014) found that the workers or other people of the tea gardens are unaware about the benefit which they should get. As many of them do not have any knowledge or are not aware of about the welfare programs, facilities that are provided to them from the tea gardens. It is necessary for the tea companies to take some steps so that all can enjoy the benefits and improve their standard of living.

Stewart & Brown (2011) in their study revealed that effective HRM acquires quality employees, motivates them to maximize performance and helps meet their psychological and social needs. This leads to long term relationships with skilled and happy employees.

Dr. Horen Goowalla (2012), reflected a strong degree of dissatisfaction on different parameters associated with the practices of labour relation. Therefore, it will not be wrong to opine that tea industry of Assam has long been neglecting the human aspect of the organizations. An attempt has been undertaken to highlights the strong areas where the tea estates would be advised to capitalize on; and to identify problem areas and formulate suitable recommendations to improve the pattern of labour relations in tea estates of Assam.

### **Objectives of the Study**

1. To reveal the background of the tea units;
2. To exhibit the existence of HRM systems at the tea units;

3. To examine the rate of implementation of HRM practices at the tea units;

### **Scope of the Study**

For the purpose of detailed investigation on the existence of HRM systems, and implementation of HRM practices at tea units in Idukki district, Kerala were considered. The scope of the study is confined to employees working at the tea manufacturing units in Idukki district, Kerala. The focused HRM systems are career, work, development, self-renewal, HRP and control systems whereas the focused high performance work practices are company vision, company structure, organisational culture and learning activity.

### **Research Design**

The present study has made an attempt to describe the background of the employees, their view on the existence of HRM systems, the implementation of human resource management practices, it is descriptive in nature. Apart from this, the present study has its own objectives and structured methodology to fulfill it and hence it is descriptive in nature.

### **Collection of Data**

Both primary and secondary data were used in the present study. The secondary data were collected from records of District Industrial Centre, Idukki district, Kerala and the primary data were collected with the help of structured questionnaire.

### **Construct Development**

The present study is mainly based on the primary data collected from the sampled employees of tea units. The questionnaire was designed with the help of the employees in tea units at Idukki district and also with the help of review of previous studies. The questionnaire was divided into three important parts. The first part of the questionnaire includes the profile of the units whereas the second part of the questionnaire focuses existence of HRM systems at the units. The third part of the questionnaire focuses on the implementation of high performance work practices at their units. A pre-test was conducted among 30 employees working at 6 tea manufacturing units at Idukki. Based on their feedback, certain modifications, additions and deletions were carried out. A final draft was prepared to collect the primary data.

### **Limitations of the Study**

The present study is subjected with following limitations:

1. The HRM systems and HRM practices included in the present study is limited on the basis of the view of experts in this field;

2. The variables related to each HRM system, HRM practices and the consequences of HRM practices were drawn from the review of previous studies;
3. The level of existence of HRM systems, the level of implementation of HRM practices and the level of outcome of the HRM at the units are measured by the mean score on the above said aspects among the employees in each unit.
4. Even though, the tea manufacturing spread over the state, only the registered tea units at District Industrial Centre of Idukki, Kerala have been included for the study; and
5. The linear relationship between the dependent and independent variables have been assumed.

#### HRM System in tea units

The HRM system consists of various sub-systems (Rowley and Rahman, 2007). The level of existence of sub-systems in HRM is essential for the establishment of better HRM at the organisation (Edgar, 2003). The activity of each sub system depends upon the purpose of its establishment (Hassan et al., 2006).

It starts from recruitment to control (Chiah-Lew, 2003). In the present study, the included variables in each HRM sub-system are given in Table 1.

**Table 1 Variables in HRM Sub-System at the tea units**

Sl.No.	Variables in HRM sub-system	Sl.No.	Variables in HRM sub-system
<b>I</b>	<b>Career system</b>	<b>IV</b>	<b>Self-renewal system</b>
1.	Recruitment	1.	Role efficacy
2.	Potential assessment	2.	Organisational development
3.	Career development	3.	Action research
<b>II</b>	<b>Work system</b>	<b>V</b>	<b>HRD system</b>
1.	Role analysis	1.	HRD climate
2.	Contextual analysis	2.	Organisational values
3.	Performance appraisal system	3.	Quality orientation
<b>III</b>	<b>Development system</b>	4.	Reward recognition
1.	Learning and training	<b>VI</b>	<b>Control system</b>
2.	Guidance and development	1.	Behaviour control
3.	Other mechanism of development	2.	Output control
		3.	Input control

The employees are asked to rate the above said variables at five point scale according to the order of existence at their units.

#### Existence of Sub-System of HRM at the tea units

The existence of sub-systems of HRM at the tea units has been examined by the existence of career, work, development, self-renewal, HRD and control sub-systems. The

level of existence of above sub-systems at the tea units has been computed by the mean scores of the variables in each sub system. The 't' test has been administered to find out the significant difference among the PUC and PPF regarding their existence of various sub systems of HRM at their units. The results are given in Table 2

**Table 2 Existence of Various HRM Systems in the tea units**

Sl.No.	HRM Systems	Mean scores in		't' statistics
		PUC	PPF	
1.	Career system	3.0425	2.5211	2.4868*
2.	Work system	2.9061	2.5702	2.3732*
3.	Development system	2.8613	2.5039	1.8688
4.	Self-renewal system	2.7222	2.2113	2.4088*
5.	HRD system	3.0846	2.5196	2.5089*
6.	Control system	2.8659	2.3507	-2.6173*

\*Significant at five per cent level.

The highly existing sub-systems at PUC are HRD and career systems since their mean scores are 3.0846 and 3.0425 respectively. In the case of PPF, these two are work system and career system since their mean scores are 2.5702 and 2.5211 respectively. Regarding the existence of various sub-systems, the significant difference among the PUC and PPF have been noticed since their respective 't' statistics are significant at five per cent level.

### High Performance Work Practices

One of the growing HRM practices in the dynamic world is High-Performance Work Practices (HPWP). It includes four main areas namely job design, knowledge management, teaming organisation and performance rewarding (Becker and Huselid 1998). The objective of HPWP is to refine the quality of human resources as per the need of the present era (Bosclie et al., 2003). After the globalization and liberalization, the industrial sector is subjected to a dynamic change. It needs a consistent development to improve the skill of human resources in order to reduce the cost per unit and also the quality of the products/services up to the international level (Thomson 2002). In the present study, the variables in HPWP were drawn from reviews (Guthrie, 2001; Ashton and Sung, 2002). These are shown in the Table 4.

**Variables in High Performance Work Practice (HPWP)**

Sl.No.	Variables in HPWP	Sl.No.	Variables in HPWP
<i>I</i>	<i>Company Vision</i>	<i>III</i>	<i>Organisational Culture:</i>
1	Differentiation	1	Harmonization
2	Customisation	2	Enthusiasm for change

3	Creativity and Innovation	3	Rewarding performance
4	Empowerment	4	Employee Engagement
5	International Standard	5	Commitment to organisation
<i>II</i>	<b><i>Company Structure:</i></b>	<i>IV</i>	<b><i>Learning Activity:</i></b>
1	Involved Decision making	1	Team working
2	Team capabilities	2	Multi-skilling
3	High trust	3	Work based learning
4	High involvement	4	Job rotation
5	Self management	5	Information sharing
6	Flatter development	6	Competence development

The employees are asked to rate these variables at five point scale.

#### Level of implementation of HPWP in Tea Units

The level of implementation of HPWP in the tea units are examined with the help of the rate of implementation of HPWP in tea units. It is analysed with the help of the mean score of all four factors in HPWP. It is computed by the mean score of the variables in four factors. The mean of the implementation of all four factors in PUC and PPF have been computed separately along with its 't' statistics. The results are shown in Table 5

**Table 5**  
Level of implementation of HPWP in tea units

Sl. No.	Factors in HPWP	Mean score in		't' statistics
		PUC	PPF	
1.	Company Vision	3.5503	3.0746	2.5808*
2.	Company Structure	3.7056	3.1707	2.6989*
3.	Organisational Culture	3.7204	3.1764	2.7884*
4.	Learning Activity	3.7344	3.2177	2.6088*

\*Significant at five per cent level

The highly implemented factors in HPWP at PUC are learning activity and organisational culture since its mean scores are 3.7344 and 3.7204 respectively. At the PPF, these two factors are learning activity and organisational culture since its mean scores are 3.2177 and 3.1764 respectively. Regarding the level of implementation of factors in HPWP, the significant difference among the PUC and PPF have been noticed in the case of all four factors in HPWP since its 't' statistics are significant at five per cent level.

#### Summary of Findings

##### 1. Descriptive statistics:

The tea units are classified into Public Ltd Company (PUC) and Partnership and Proprietorship Firm (PPF). The dominant nature of ownership among the units is PUC.

The dominant number of departments in the tea units is 3 to 5 and above 5. The number of departments in PUC is higher than that in PPF. Majority of the tea units are having a separate HR department at their units. The dominant type of business among the units is both domestic and export. The dominant responsible person for HR in the tea units is HR manager. The number of employees working in the PUC is higher than that in PPF. The dominant type of employees engaged in the PUC and PPF are permanent only; and permanent and leased respectively. The years of experience among the PUC is higher than that among the PPF. The annual turnover of the PUC is higher than that in PPF. The annual amount spent on HRD in PUC is higher than that in PPF. The annual profit per unit is higher in PUC than that in PPF.

## **2. Implementation of High-Performance Work Practices (HPWP) in Tea Units:**

The implementation of HPWP in the tea units are examined with the help of implementation of company vision, company structure, organisational structure and learning activity. The highly implemented variables in company vision at PUC and PPF are empowerment and; creativity and innovation respectively. Regarding the implementation of company structure, these variables are self management and high involvement respectively. In the case of organisational culture, the highly implemented variable in PUC and PPF are employee engagement and harmonization respectively whereas in the case of learning activity, this variable is competence development. Regarding the implementation of variables in all four factors in HPWP, the significant difference among the PUC and PPF has been noticed in the case of all variables in all four factors in HPWP. The significantly associating important profile variables regarding the implementation of HPWP are responsible person for HR, annual amount spent on HRD and annual profit. The highly implemented factor in HPWP at PUC and PPF is learning activity. The significant difference among the PUC and PPF has been noticed in the implementation of all factors in HPWP. The important discriminant HPWP in PUC and PPF are organisational culture and company vision which are higher at PUC than that at PPF.

## **Concluding Remarks**

The present study concludes that the rate of existence and implementation of HRM system, core HRM practices and High Performance Work Practices in Public Limited Company are higher than that in the Partnership and Proprietorship Firm. In total, the rate of implementation of HRM practices varying from moderate to high in the units.

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