

# A Research on Human Capital Management Strategies in Sugar Manufacturing Plant



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**Abstract:** *The prime objective of this paper is to study succession planning in cooperatives. The primary data for this study was compiled through well-structured questionnaire filled in on a one-to-one basis by the employees of a sample sugar mill. The analyzed on employees' satisfaction with salary structure and welfare measures and benefits expected by the employees of sample sugar mill because the dissatisfaction of employees with benefits paid by the employer will affect the career longevity of the employees. The study results clearly indicated that the majority of the employees are not satisfied with the benefit provided to them.*

**Keywords:** *Talent Management, Succession Planning, Employee Retention, Salary Structure and Welfare Measures.*

## I. INTRODUCTION

The global economic turmoil with the demand of resources has steadily enlarged the burden on competitive advantage of organizations. So, organizations have to find feasible solutions to manage the current changing business environment [1]. The success of any organization is highly concerned with certain factors such as productivity, cost efficiency and managing the talents strategically. Human resources are a single largest input which regulates the level of productivity of the organizations. Any organization cannot run the business without support of human resources [2].

Human beings vary from one another in their skills, abilities, approach, education and behaviour. This difference gets increased when they interact with others in the organization [3] [4]. This generates different styles of management, feelings, beliefs, values and opinions to the employees. In the competitive environment, employees of any business organization are the key factor for deciding the success of the firm, in general, and cooperatives in particular [5]. It is understood that cooperatives approach human resources in traditional perspective which would result in failure of the cooperatives. So, the cooperatives are needed to manage the talents strategically [6].

The concept of Human Capital Management (HCM) is concerned with the set of practices related to the management of employees [8]. It is focused on provide specific competencies and are implemented in three categories: workforce acquisition, management and optimization of human resources. It includes personnel administration, benefits administration, payroll, and service center [13].

## II. STATEMENT OF THE PROBLEM

Human capital management is a noble concept. It has tremendous relevance to all type of organization like public sector, private sector, cooperative sector, etc. Human input is a single largest input that would goes into the cooperative sector [9]. The level of efficiency/ productivity of employees are reflected in the quality of service, profitability, return on investment, etc. [10] [11]. So, the cooperatives especially sugar cooperatives today would lay greater stress on managing their talents. In sugar mills, there is nothing more critical to fit the right employees in the right position. When people do jobs that just don't suit their preferences, feeling or disposition, the results or rather the lack of them will be terribly obvious. It is prime cases for low productivity, low morale, dissatisfaction, absenteeism and other negative behaviour [12] [14]. Keep in this view, the present study made an attempt to understand the human side of the sugar cooperatives. This would underline the present system of talent management and the problems of talents in the organization and suggest suitable measures for coping with the problems.

## III. OBJECTIVES OF THE STUDY

- i) To study the awareness on organizational policies and procedures among the employees.
- ii) To examine the employees' satisfaction with the salary structure and welfare measures; and
- iii) To identify the factors to be needed for the retaining the employees.

## IV. RESEARCH METHODOLOGY

The present study is qualitative in nature based on survey method. It is primarily concerned with the data collected from the employees. The secondary data is gathered from books, journals, magazines, and websites. Further, convenient sampling method has been adopted to select the sample respondents. The study conducted in the Dharmapuri District Co-operative Sugar Mills Ltd., Palacode.

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The sample size of 85 employees has been selected for the study. The statistical tools, such as Friedman’s test and ANOVA have been used to the present data.

V. DATA ANALYSIS

In this section, the study focused on awareness on policies and procedures, employees’ satisfaction with salary structure and welfare measures and benefits expected by the employees of sample sugar mill.

**Awareness on Policies & Procedures of the Organization**

Non-parametric Friedman’s test has been employed to know the employees’ awareness on various policies and procedures of a sample cooperative sugar mill.

**Table – 1: Awareness on the Policies and Procedures**

Variables	$\bar{x}$	$\sigma$	Mean Rank	$\chi^2$	Sig
Mission Statement	1.75	.746	4.21	146.1	.000
Organizational Structure	2.52	.533	7.34		
Duties and Responsibilities	2.85	.359	9.16		
Association Membership	2.75	.532	8.63		
Grievances Handling	2.28	.714	6.21		
Staff Disciplinary Procedures	2.49	.533	7.18		
Provision of Paternity/ Maternity Leave	2.21	.808	6.28		
Policy on Absence	2.55	.634	7.72		
Internal Recruitment	2.18	.737	5.76		
Procedure for Promotion	2.64	.569	8.03		
Emergency Loan Procedure	2.25	.766	6.23		
Quarters	2.55	.530	7.46		
Travel Expenses	2.40	.740	6.79		

The results of Friedman’s  $\chi^2$  test showed that there is significant difference among the employees’ awareness on various policies and procedures of a sample cooperative sugar mill ( $P < 0.05$ ). The mean ranks revealed that the employees have more aware about their duties and responsibilities (Mean=9.16) followed by membership procedures to join association (Mean=8.63) but meticulously noted that only few employees are aware about mission statement of the organization (Mean=4.21) (Table 1).

**Influence of Demographic Characteristics on Awareness on Policies and Procedures of a Cooperative Sugar Mill**

An attempt has been made to highlight the relationship between the demographic characteristics and the awareness on policies and procedures of a sample cooperative sugar mill. In this regard, ANOVA has been used to find out the influence of employee demographics and awareness on policies and procedures of a cooperative sugar mill.

**Table – 2: Demographic Characteristics and Awareness on Policies and Procedures**

Demographics	Description	$\bar{x}$	$\sigma$	F	Sig.
Age	Up to 30	37.0	6.3	3.49	.021
	31-40	34.3	6.3		
	41-50	34.7	1.7		
	Above 50	30.7	3.9		
Gender	Male	32.0	4.3	0.06	.807
	Female	31.4	4.1		
Qualification	Up to HSC	30.1	4.0	2.97	.048
	Diploma / ITI	32.4	4.1		
	Graduates	32.6	3.7		
Department	Administration	30.7	5.9	0.73	.633
	Cane	32.3	2.7		
	Manufacturing	30.6	3.9		
	Engineering	31.8	4.1		
Designation	Administrative	33.6	4.5	2.13	.007
	Technical	30.3	3.4		
	Sub staff	31.4	2.5		
Monthly Income	Up to 5000	30.9	5.2	0.61	.046
	5000-10000	31.3	4.3		
	Above 10000	32.7	2.6		
Span of Service	Up to 10	30.2	2.9	2.98	.037
	11-20	31.7	4.4		
	Above 20	34.1	3.4		

There is a significant difference between awareness on policies and procedures and demographic characteristics such as age, educational qualification, designation, monthly income and span of service ( $P < 0.05$ ). Hence, there is no significant difference between gender and department and awareness on policies and procedures ( $P > 0.05$ ).

It is observed from the mean scores employees in the age group of above 50 years have low level of awareness on policies and procedures. Male employees have more awareness on policies and procedures than female employees Graduate category employees have high level of awareness on policies and procedures. Majority of the administrative cadre employees have high level of awareness on policies and procedures. The employees who earned monthly income above Rs.10000 are in the high level of awareness on policies and procedures. The employees with above 20 years of experience have higher level of awareness on policies and procedures. Thus, employees belong to engineering department have more awareness on policies and procedures (Table 2).

**Employees’ Satisfaction with Salary Structure**

One of the challenging tasks of the management of an organization would be the fixation of compensation to the contributions of the employees in the organization. Compensation has been the adequate and equitable remuneration of personnel for their contribution to achieve the organization’s origination objectives [7]. The term salary would be usually defined to mean compensation to employees.



The compensation given to employees should be sufficient to enable them to sustain in life. The employees should feel satisfied with the salary in comparison with the salary of others performing the same type of work in other organization.

**Table – 3: Employees’ Satisfaction with the Salary Structure**

Variables	$\bar{x}$	$\sigma$	Mean Rank	$\chi^2$	Sig
Present Salary	1.22	.62	2.82	210.6	.000
Pay Revision / Increment	1.58	.80	3.89		
Dearness Allowance	1.66	.84	3.98		
Travel Allowance	2.45	1.07	6.34		
Medical Insurance Scheme	2.72	1.32	6.76		
Provident Fund	2.84	.96	7.58		
Life Insurance Scheme	2.84	1.14	7.29		
Festival Advance	2.55	1.04	6.57		
Over Time Salary	2.87	1.23	7.75		
Bonus	2.46	.92	6.84		
Share Option Plan	2.49	1.16	6.18		

The result of Friedman’s  $\chi^2$  test shows that there is a significant difference among the employees’ satisfaction towards salary structure ( $P < 0.05$ ). The mean ranks depicts that the employees are more satisfied with over time salary (Mean=7.75) followed by provident fund contribution (Mean=7.58). On the hand, the employees are highly dissatisfied with the scale of pay what they at present receiving (Mean=2.82) (Table 3).

**Influence of Demographic Characteristics on Employees’ Satisfaction with Salary Structure**

An attempt has also been made to highlight the relationship between the demographic characteristics and the employees’ satisfaction with salary structure of a sample cooperative sugar mill. In this regard, ANOVA is employed to find out the influence of employee demographics and employees’ satisfaction with salary structure.

**Table – 4: Demographic Characteristics and Satisfaction with Salary Structure**

Demographic	Description	$\bar{x}$	$\sigma$	F	Sig.
Age	Up to 30	30.0	0.5	1.65	0.186
	31-40	18.0	3.0		
	41-50	26.0	9.0		
	Above 50	25.9	6.1		
Gender	Male	25.6	6.3	.074	.787
	Female	26.6	10.1		
Qualification	Up to HSC	26.7	6.1	2.51	.019
	Diploma / ITI	23.3	6.3		
	Graduates	27.3	6.6		
Department	Administration	24.0	6.3	3.03	.066
	Cane	27.8	7.1		
	Manufacturing	27.0	5.1		
	Engineering	22.3	6.3		
Designation	Administrative	23.9	6.8	4.02	.023

Demographic	Description	$\bar{x}$	$\sigma$	F	Sig.
	Technical	27.2	4.4		
	Sub staff	29.6	6.6		
Monthly Income	Up to 5000	26.2	4.9	5.70	.005
	5000-10000	24.0	6.8		
	Above 10000	30.1	3.3		
Span of Service	Up to 10	27.8	6.4	2.74	.014
	11-20	23.9	7.1		
	Above 20	22.4	4.9		

There is a significant difference between qualification, designation, monthly income and span of service and employees satisfaction with salary structure ( $P < 0.05$ ). Hence, there is no significant difference between employees’ satisfaction with salary structure and demographic characteristics such as age, gender, and department ( $P > 0.05$ ).

Mean scores reveal that 31-40 years of age group of employees have low level of satisfaction with salary structure. Male employees have low level of satisfaction with their salary structure. Graduate category employees have low level of satisfaction with their salary structure. The employees belong to engineering department have low level satisfaction with salary structure. The administrative cadre employees have low level of satisfaction with salary structure. The employees who earned monthly income Rs.5000-10000 are in the low level of satisfaction with the salary structure. The employees with above 20 years of experience have low level of satisfaction with their salary structure (Table 4).

**Employees’ Satisfaction with Welfare Measures**

Welfare facilities provided by the organization should motivate the employees and improve their productivity. Capacity to meet the expenses towards welfare facilities could be a major factor in deciding this. Nevertheless, it would be imperative that the minimum facilities essentially required for performing their routine work that must be provided (Vinokur, 1991; Vasan, 2013). With this background, Friedman’s Test has been employed to know about the satisfaction of employees towards welfare measures provided by the sample sugar cooperative mill.

**Table – 5: Satisfaction with Welfare Measures**

Variables	$\bar{x}$	$\sigma$	Mean Rank	$\chi^2$	Sig.
Working Environment	3.2	1.3	7.4	248.3	.000
Employee Grievance Redressal	2.6	1.3	5.9		
Promotion and Transfer	2.5	1.2	5.4		
Provisions for Leave	3.3	1.0	7.8		
Health Care Plan	2.7	1.1	6.4		
Retirement Benefits	1.4	0.9	2.7		
Emergency Loan	3.3	1.2	7.8		
Co-operative Society Loan	4.1	1.3	9.9		

Variables	$\bar{x}$	$\sigma$	Mean Rank	$\chi^2$	Sig.
Uniform Allowance	3.9	1.0	9.6		
Social & Recreational facilities	1.9	0.9	4.1		
Subsidized Consumer Goods	1.8	0.8	4.1		
Quarters	2.7	1.2	6.5		

The results of Friedman’s  $\chi^2$  test showed that there is significant difference among the employees’ satisfaction with welfare measures provided by the cooperative sugar mill ( $P < 0.05$ ). The mean ranks shows that the employees are more satisfied with loan provided by the cooperative society (Mean=9.93) followed by uniform allowances (Mean=9.61). On the hand, the employees are highly dissatisfied with social and recreational facilities provided by the sample sugar mill (Mean=4.10) (Table 5).

**Benefits Expected by the Employees**

The following table indicted that employees’ expectation towards retaining the current workforce for forthcoming years.

**Table – 6: Ranking of Factors to be Needed for Retaining Employees**

Variables	Mean	Rank
Tamilnadu Government scale of pay	9.70	1
Healthcare benefits	6.91	8
Share option plan	2.68	13
Higher education benefits	9.40	3
Retirement benefits	9.38	4
Child care allowance / scheme	9.27	5
Transfer/ promotion	6.32	9
Emergency loan	8.42	6
Travel allowance	9.53	2
Increase in bonus	5.61	12
Increase in overtime salary	5.65	11
Providing goods at subsidized cost to consumer	8.12	7
Better canteen facility	6.26	10

The results of mean ranking indicates that most of the employees are expected the scale of pay on par with the government employees followed by travel allowance, higher education benefits retirement benefits, child care allowance/ scheme emergency loan, providing consumer goods at subsidized cost, health care benefits, career opportunities, better canteen facility, increase overtime salary and bonus and share option plan (Table 6).

**VI. CONCLUSION**

Every organization can improve its performance through effective people management practices which is useful to retain the employees. So, the organization should rigorously change and adopt the employee centric policies. It facilitates to attract the talents, make them as leaders and employing them in the higher positions for retention. In this competitive scenario, the organizations should manage the human resources to capture good positions in the marketplace as well to accomplish its vision and mission. Generally, succession

planning starts from the recruitment and gradually recognizes and develops the competencies of the employees. The organizations should implement good talent management strategies to cope up with the repaid changing skill sets and job requirements to face future challenges successfully. The study results show that employees are not significantly satisfied with salary and welfare practices. So, it is recommended that the sample sugar mill should replace its existing HR policies and procedures for managing and satisfying present talents and to attract the prospective talents.

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