

## **A STUDY OF HUMAN RESOURCE DEVELOPMENT PRACTICES IN CHEMICAL INDUSTRIES WITH SPECIAL REFERENCE TO NAVI MUMBAI, RABALE MIDC**

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**Abstract :** Human Resource like knowledge, skills, creative abilities and talents play an important role in deciding the efficiency and effectiveness of an organizations work force. However, enhancement of utilization value of human resource depends on improvement of the human resource aspects like skill, knowledge, creative abilities and talents and molding of other aspects like values, believes aptitude and attitude in accordance with the changing requirements of groups, organizations and society at large. This process is the essence of human resource development. Developing human resources regarding their skills and intending their knowledge and competencies world lead to organizational development.

**Keywords:** Human Resource , Chemical Industries , Navi Mumbai , Creative Abilities .

### **1 INTRODUCTION**

Therefore, human resource development is the key to enhancing and effective utilization of intellectual technological and entrepreneurial skills of human resource. HRD assumes significance in view of the fast changing organizational environment and need of the organization to adopt new techniques in order to respond to the environmental changes. The changing environmental factor includes unprecedented increases in competition within and outside the country consequence upon the announcement and implementation of economic liberalization. The concept of HRD is comparatively of recent origin and is now used at both macro and micro levels. At the macro level HRD is described as the care of all developmental efforts in the sense of improvement of quality of life of people of a nation at the micro or organizational level.

### **2. GLOBALSCENARIO**

The size of the global chemical industry is estimated at approximately USD 1.5 trillion on 2002. The industry is currently under –performing and is in the trough of the business cycle. Some of the emerging trends of the global chemical industry that can be leveraged for growth are as follows:-

- a) Increasing globalization as growth in markets drives leading players to explore new developing markets
- b) Consolidation to leverage economies of scale in the Basic and Knowledge segments
- c) Increasing focus on core business, resulting in diversified chemical and multi-product companies divesting business or exiting non-core product lines.
- d) Cost optimization assuming critical importance in the face of slow growth coupled with a pressure on prices due to competition.
- e) Increasing investments in R&D (especially in the Specialty and Knowledge segment) to gain competitive advantage.
- f) Increasing uses of IT to transact business- intra-company and across the extended supply chain.

### 3. INDIAN SCENARIO

The USD 28 billion Indian chemical industry is a marginal player in the international market accounting for 1.9 per cent of the global chemical market, while Indian trade (export plus import) accounts for just 1.3 per cent of the world chemical trade of USD 545 billion. Although certain sectors such as petrochemicals and pharmaceuticals have a trade surplus, the industry remains a net importer with a trade deficit of around USD 1.3 -1.8 billion annually.

#### **At the industry level the Indian chemical industry is characterized by**

- a) High domestic demand potential, as the Indian markets and per capita consumption level increase.
  - b) High degree of fragmentation and small scale of operations.
  - c) Limited emphasis on export due to domestic market focus and small scale of operation.
  - d) Low cost competitiveness as compared to other countries due to higher cost of power, import duties, taxes and cost capital and
  - e) Low focus on R & D despite initiatives to innovate processes to synthesize product cost effectively
- In spite of the disadvantages, a few proactive Indian companies have created sizable international operations to become significant players in the global market place. The ability of chemical companies in India to perform better than global companies has already been reflected by a comparatively better performance of the Indian operations of some global companies. Operating Profit Margins (OPM) of these Indian subsidiaries range from 8 per cent to 3 per cent as compared to the global OPM ranges of less than 1 per cent to 6 per cent.

### 4. OBJECTIVES OF THE STUDY

- ◆ To study human resources Development practices prevailing in chemical industries.
- ◆ To survey the awareness in the chemical industries towards HRD practices
- ◆ To identify the constraints in HRD practices in chemical industries.

### 5. HYPOTHESIS OF THE STUDY

- ◆ H1: There is shortage of skilled human resources in chemical industries
- ◆ H0: There is no shortage of skilled human resources in chemical industries
- ◆ H1: HRD practices are exist in chemical industries.
- ◆ H0: HRD practices do not exist in chemical industries.
- ◆ H1: There are difficulties in implementing HRD practices in chemical industries
- ◆ H0: There are no difficulties in implementing HRD practices in chemical industries.

### 6. SCOPE OF THE STUDY

The study mostly depends on the availability of true and adequate data from the chemical industries and adequacy of literature. This study is however restricted to the following.

#### **6.A. Area Covered:- Area covering Navi Mumbai, Thane Belapur MIDC, Rabale.**

Maharashtra Industrial Development Corporation established an industrial estate at Thane Belapur Road, Rabale Industry, Navi Mumbai in 1963 which is often known as TTC MIDC Estate. The Estate is located along Thane Belapur Road towards Northern side of road and total area of the industrial estate is 27 sq.kms. There are about 2200 industrial units of various category engaged in the manufacture of chemicals, dyes, dye-intermediates, Bulk drugs, pharmaceuticals, Textile auxiliaries, Pesticides, Petrochemicals, Textile processors, Engineering units etc.

#### **6.B. Coverage of industries:- Large scale Chemical industries operating in above area**

The Large Scale Chemicals Industries the final productions are Transformer Oil, Lubrication Oil, Industrial Oil, Rubber Processing oil, Leather Chemical, Surfactants (Specialty chemicals), soap detergent and chemicals oil, Laboratory Chemicals, Precious metals chemicals, Petroleum product( IOC), Bulk drug fine chemicals, Chemicals Additive and spaciality product for Automotives And Lubricants and or treatment of Fuels, Rubber processing Chemicals, Liquid paraffin, bulk drug/ Chemicals, Lubricants, etc.

## **7. SAMPLE, SIZE AND SELECTION.**

Total 82 large scale chemical companies operate in this area. Following criteria is used to select 20 large scale chemical industries. Essentially a member of "Thane Belapur Industries Association" (As per 2012 publication, [www.tbaiindia.org](http://www.tbaiindia.org)) and in addition satisfying following parameters

- A. Companies with ISO Certification
- B. Recipient of Awards
- C. Environmental conscious
- D. Adoption of Corporate Social Responsibilities
- E. Turnover
- F. Shares
- G. More than 200 employees
- H. Involved in Import and Export

**Following twenty (20) Large Scale Chemicals Industries are selected for study.**

1. Amines and Plasticizers Ltd.
2. Associated Chemicals
3. Bharat Mercantile Company
4. Bombay Ammonia Chemicals Co.
5. CMP Pvt. Ltd.
6. Hebbur Chemicals P. Ltd.
7. Henkel Adhesive Technologies (i) Ltd.
8. Hindustan Platinum P. Ltd.
9. Indl. Minerals and Chem. Pvt. Co. P. Ltd.
10. Lubrizol India Pvt. Ltd.
11. Mazda Colours Ltd.
12. Mesuka Engineering Co. P. Ltd.
13. Metcon Coatings and Chemicals (p) Ltd.
14. NOCIL
15. Pfizer Ltd.
16. RPG Life Sciences Ltd.
17. Sara Chem. (I) P. Ltd.
18. Savita Oil Technologies Ltd.
19. Tytan Organic P. Ltd.
20. Zydus nycomed Healthcare P. Ltd.

## **8. RESEARCH METHODOLOGY AND STATISTICAL TOOLS FOR ANALYSIS**

Research in common parlance refers to a search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic.

The various methods are available such as primary, secondary, observation, qualitative, quantitative, interviews, telephones, mail survey, E-mail, and internet methods. We are trying to use the various measures of central tendency which includes mean, mode, median, standard deviation, diagrams and graphs, and other tools as per needs and requirements. We are using combination of Primary and Secondary data in order to collect the data, test the hypothesis and draw the relevant conclusions.

### **8.A. Primary data**

1. Personal interview of Top leaders and employees of Organizations and Institutions in and around Chemical industries in Navi Mumbai
2. Sample questionnaire administered to the leaders in the selected Chemical Companies.
3. Personal observations and situational analysis by the author.
4. The survey was conducted through a combination of the following -
  - ◆ Personal meetings ,
  - ◆ E-mail,
  - ◆ Posting on Yahoo Groups,
  - ◆ Posting on [www.surveymonkey.com](http://www.surveymonkey.com),
  - ◆ Posting on Google Groups.

**8.B. Secondary Data-**

1. Literature Survey
2. Previous research work done on the subject
3. Books and Journals
4. Newspaper articles and editorials
5. Internet

Further 5 middle level officers and 10 employees will be taken randomly for research study from 20 different companies mentioned above. Primary data will be collected mainly through questionnaire, observation & interview.

Data collected will be both qualitative & quantitative. In depth interview will be conducted either face to face or over the telephone. The interview will be semi structured thus enabling researcher to direct the flow of conversation towards the topic under investigation. Structured questionnaire will be devised and will be circulated by post / courier.

Data analysis will be done with the help of responses received from the questionnaire. Computer will be freely used for research analysis. Quantitative data will be analyzed using different packages like SPSS – statistical software to find out mean difference, standard deviation, frequency distribution table, cross tabulation, Correlation, factor analysis and reliability analysis. Qualitative data will be analyzed using scaling techniques etc.

Data will be collected on following identified HRD issues that may directly or indirectly affect the employees and middle level officers.

**Researcher will concentrate study mainly on following Parameters.**

1. Employee training and development,
2. Career planning and development,
3. Succession planning,
4. Performance appraisal,
5. Employee's participation in management,
6. Quality circles,
7. Organization change and organization development.

**9. SIGNIFICANCE OF THE STUDY**

HRD stands for human resources Development, which refers to the art of managing all aspects of the human work force at a company or organization. HRD aims at providing an optimal working environment for employees to fully and freely utilize their skills to their best to achieve the company's intended output. As human resources management usually applies to big companies and organizations, it has sub categories, among which is HRD, which stands for human resources development. This is a component of HRD that focuses on 'nurturing' employee's skills. Because the process of hiring new employees can be long, expensive and cumbersome, most companies employ the strategy of HRD to promote longevity of employees within the company because through this an employee is likely to progressively scale up the managerial ladder.

Human resources Development of a company is often an independent department of its own composed of various sections including recruitment and retention, performance and appraisal management, HRD and compensation sections. But HRD does not only focus on development of skills but also focuses on the personal development of employees. Because peoples' needs and expectations are ever growing and changing this section of HRM is specifically there to help employees cope with such and prepare them for future uncertainties.

Generally speaking, professionals working within the HRM department must have excellent people skills although this is more so with those particularly working in the HRD section. The HRD section needs to have professionals with impeccable people management skills as they need to be able to realize talent within people from a cross section of backgrounds. The HRD section is concerned with identifying strengths and weaknesses among different employees and devising training means that aim at making those skills complement the other.

HRD aims at developing a superior workforce so that the company and individual employees may achieve their work goals in the customers' service. It can take on a formal approach as in a classroom or laboratory training in a case where it may apply. It may also take the informal route where an employee receives coaching or simple mentorship from his superior, usually a manager

1. HRD is a sub section of HRM, i.e. HRD is a section with the department of HRM.
2. HRM deals with all aspects of the human resources function while HRD only deals with the development

part.

3.HRM is concerned with recruitment, rewards among others while HRD is concerned with employee skills development

4.HRM functions are mostly formal while HRD functions can be informal like mentorship.

## **10. REVIEW OF RELATED LITERATURE**

C.B.Mamoria and S.V.Gankar (2008) focused that the new era and twenty first century. During the last ten years vast changes have taken place in the economic conditions of India. It has also done with the bureaucratic restrictive practices, controls on industry and business. The review of literature on the subject matter provided in the books is Human Resource management is increase getting integrated with the strategic management at corporate level.

L.M.Prasad (2006) Author added new and latest concepts some relevant issues are as strategic human resource Development, implications of systems and contingency approach in managing human resources, different models of managing human resource and their implications , environment influences on human resource development , relevance of human resource department computerized human resource information system role analysis , selection tests, training and development culture ,knowledge management , time management, self-management, career planning and development, people capability maturity model, performance appraisal ,planning creating motivational environmental, human resource counselling etc.

P.Jyothi.and D.N.Venkatesh. (2006) stated that the human resource of an organization, constitute its entire workforce. Human resource management is responsible for selection and including competent people, training them facilitating and motivating them to perform at high levels of efficiency, and provide mechanisms to ensure that maintain tier with the organization Human resource management is also an art developing people and their potentialities growth and for the growth of the organization.

Luis R.Gomez-Mejia, David B. Balkin, Robert L. Cardy. (2004) stated that organization need to be more flexible than ever before to deal with a rapidly changing competitive landscape where globally forced play a key role. Peter J. Dowling and Denice E. Welch (2004) Author rightly focused o International Human Management and how the international changes are changing since 2003 dealing with the multinational context and the consequence of international growth on human resources management.

Michael Armstrong (2001) has stated that the new concept of HRM in Industry and the strategic HRD new strategy and concept, then of intellectual capital and its practical implications, and the contribution made by HR to organizational performance, knowledge management practices, and the organizational learning and the learning organization, new development in reward management, especially in play structure is explained very clearly with changing industrial relation scene.

## **11. HRD APPROACH FOR THE FUTURE**

HRD treats human beings primarily as an input in the production process. HRD approach and recognizes through fitment, feedback, counseling, training as well as other appropriate tools to promote the intellectual, moral psychological, cultural and social development of the employees and also help them to achieve their potential as a resource is confirmed. Realization of staff potential calls for the use of certain techniques and skills. Principal techniques and skills are Role Analysis: Role analysis looks at each job not in isolation but as a part of whole set. It is an attempt to generate information / data. These attribute may be developed through training, job rotation and experience. Such role analysis will facilitate better fitment, redesigning roles and also fulfilling accountability requirements. Goal Setting: Every role in an organization is intended to contribute towards fulfillment of the organizational goal. Goals should be realistic and achievable.

## **12. HRD DEPARTMENTS AND THEIR TASKS**

The main objective of the HRD department is to create learning environment and a development climate in the organization. By learning, it is meant, a culture where employees continuously learn from their own experience and from the various learning opportunities the organization provides. The HRD department also should be sensitive to the motivational patterns of employees and try to develop motivation. The HRD department should create an 'enabling' culture where the employees are able to make things happen and in the process discover and utilize their potential. The most important objective of the HRD function is to create learning environment in the organization so that each member of the organization continuously learns and acquires new competencies (knowledge, attitudes and skills) In order to achieve



HRD objectives, the HRD department should: (i) Develop a human resources philosophy for entire organization and get the top management committed to it openly and consistently. (ii) Keep inspiring the line managers to have a constant desire to learn and develop. (iii) Constantly plan and design new methods and systems of developing and strengthening the HRD climate. (iv) Be aware of the business /social /other goals of the organization and direct all their HRD effort to achieve these goals. (v) Monitor effectively the implementation of various HRD subsystems/mechanisms. (vi) Work with unions and associations and inspire them.

(vii) Conduct human process research, organizational health surveys and renewal exercises periodically. (viii) Influence personnel policies by providing necessary inputs to the personnel department /top management. In order to perform these function and tasks well, the HRD departments need to be manned by people with certain types of spirit and competencies. The personnel function also should be structured appropriately.

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