Study of Human Resource (HR) needs of the End Implementing Agencies (Milk Unions) in NDP I

Submitted to
National Dairy Development Board (NDDB), Anand

IRMA Study Team

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Acknowledgement

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Executive Summary

Background: There is growing evidence of a strong & positive relationship between HRM practices and organizational performance. Research suggests that effective planning, deployment and motivation of human resources gives distinct competitive advantage to firms. Dairy business, particularly in the cooperative sector, has become more complex, partly due to de-regulation and also due to the rising and varied expectations of consumers. However, most of the dairy cooperative producers unions have, for long neglected the most critical aspect of the business – that is attracting, retaining and motivating adequate numbers of qualified professionals.

Objectives: This study is designed to understand the present state of Human Resource Management (HRM) and Human Resource Development (HRD) in cooperative dairy unions (EIAs). This study also attempts to ascertain the critical competency requirements, human resources gaps, training, and capacity building issues. The findings will be used to sensitize the decision makers about the criticality of HR issues and in designing interventions for the EIAs to implement robust HR systems.

Methodology: We selected 18 EIAs under three categories based on average per day milk collection i.e. Large (> 5 llpd), medium (< 5llpd > 1llpd), and small (< 1lpd) from four regions (North, West, East, and South). On account of greater concentration of EIAs in the west and south, the sample size from West and South was 6 each and 3 EIAs each from the Northern and Eastern region. The team conducted a pilot study in a medium size milk union which was not in the final sample. The team members visited the entire sample EIAs. Extensive discussions were held with the Board members, MDs, Department Heads, and a section of employees. Various data collection instruments such as semi-structured interviews, survey questionnaires, FGDs etc. were used.

Major Findings: Study findings highlight that recruitment has stopped in most of the EIAs since long. Owing to this and substantial increase in milk handling by the EIAs, Human Resources gap has increased. To bridge the gap, most of the sample's EIAs have been employing workers and/or professionals on short-term basis, often through labor contracts. The human

resource gap, coupled with increasing number of employees with short-term contracts, has resulted in them finding it difficult to place adequate emphasis on skill development.

In most of the EIAs there exists no HR department and the function, mostly transactional, is handled by non-managerial employees or those who have superannuated and are retained on short-term contracts. Inadequate on-boarding process, absence of performance management system as well as reward and incentive for higher performance has led to lack of motivation among staff members.

Recommendations

1. Need for professionally designed system for recruitment and selection of employees in all EIAs.
2. Leveraging ICT for Human Resource Management and Business process development.
3. Adoption of long-term contract, if not regular employment, for all levels except for manual and seasonal workers.
4. Establishment of HR departments and appointments of HR professionals of requisite qualification and experience commensurate to the size of the organization.
5. The Professional head of the Human Resources should directly report to the Managing Director or CEO of the organization.
6. On-boarding/ Induction programme for new entrants to be strengthened.
7. Developing and providing a HR manual to employees.
8. EIAs should establish performance standards by selecting relevant indicators for each job position within the organization, specify the goals and targets, and communicate the expectations to the employees.
9. EIAs should measure performance of all employees on both job-related and behavioural indicators and this should also be made known to the employees.
10. Performance Measurement should be a continuous process and not just an annual exercise.
11. Top management and the board should consider putting in place a performance linked incentive or pay system.
12. There has to be a career path contingent upon task performance and goal attainment.
13. Every employee should have an opportunity for knowledge and skill upgradation at least once a year.

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List of Abbreviations

ANOVA	Analysis of Variance
ATD	Association for Talent Development
CEO	Chief Executive Officer
CMU	Cooperative Milk Unions
Coops	Co-operatives
DCS	Dairy Cooperative Societies
EIA	End Implementing Agencies
ERP	Enterprise Resources Planning
FGD	Focus Group Discussion
FY	Financial Year
GoI	Government of India
HLC	Hired through Labour Contractor
HoD	Head of Department
HR	Human Resource
HRD	Human Resource Development
HRM	Human Resource Management
HRMS	Human Resource Management System
IBPS	Institute of Banking Personnel Selection
ICAR	Indian Council of Agricultural Research
ICT	Information and Communications Technology
IDA	International Development Association
IOF	Investor Owned Firms
IRMA	Institute of Rural Management Anand
KPI	Key Performance Indicators
LLPD	Lakh Liter Per Day
LRM	Landscape Reading Model
LS	Liberating Structure
MD	Managing Director

MD	Managing Director
NDDB	National Dairy Development Board
NDP	National Dairy Plan
OD	Organizational Development
P&A	Personnel and Administration
PA	Performance Appraisal
SD	Standard Deviation
SOP	Standard Operating Procedures
TNA	Text Network Analysis
TQM	Total Quality Management

INTRODUCTION

Chapter 1 - Introduction

The dairy sector in India has witnessed phenomenal growth in the last three decades. A large part of this growth story can be attributed to the relentless intervention by the cooperative dairy sector[1]. Newer forms of cooperation have also emerged in the sector in the form of Producers' Company, which has also started making contribution. The contribution and growth of dairying can be judged by comparing the per capita availability of milk and that of food grains in 1991 – 92 and 2017 – 18. The per capita availability of food-grains and milk in 1991-92 were almost the same (food grains, 171.10 gms/day; milk, 178 gms/day), however, by 2017-18 the scenario had changed radically. The per capita availability of milk had more than doubled during the intervening twenty-five years, while the per capita food grains availability remained almost the same (food grains, 178 gms/day; and milk, 375 gms/day)[2]. Dairying is also one of the largest employment generators in rural India with an engagement of approximately 75 million people.

The other unique feature of dairying in India is that it is practiced largely by landless and marginal farmers who account for more than 70 per cent of dairy farmers, as opposed to the larger corporate farms dairying in the industrially developed world. Thus, dairying contributes substantially to the income of small and marginal farmers as well as landless agricultural workers. It seems that dairying is one of the few options left for farmers to increase their income as agricultural productivity and market expansion is reaching its limits in many parts of the country. Interestingly, the growth in milk production is synchronous to the rising number of dairy farmers joining the organized sector. However, increased production and the prominent role played by the cooperative sector in dairying have also thrown up certain challenges. For example, the cooperative dairy sector has to focus diligently on innovations in processing & packaging as well as development of new products. Similarly, they must also engage in market expansion as well as creation of new markets so as to better remunerate the dairy farmers.

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[1] Kumar, A., Parappurathu, S., & Joshi, P. K. (2013). Structural transformation in dairy sector of India. Agricultural Economics Research Review, 26(347-2016-17090), 209-219.
[2] Source: India Stat.com

1.1 Broad Factors Affecting Organizational Performance

Every organization, to function smoothly, would essentially need a combination of three related but distinct factors that forms the basis of management; that is, the *Organoware*, the *Technoware*, and the *Humanoware*[3]. An optimal synchronization of the three results in organizational effectiveness. If the relationship between the three factors is imbalanced, then, it results in organizational entropy. The framework is presented schematically in Figure 1.1
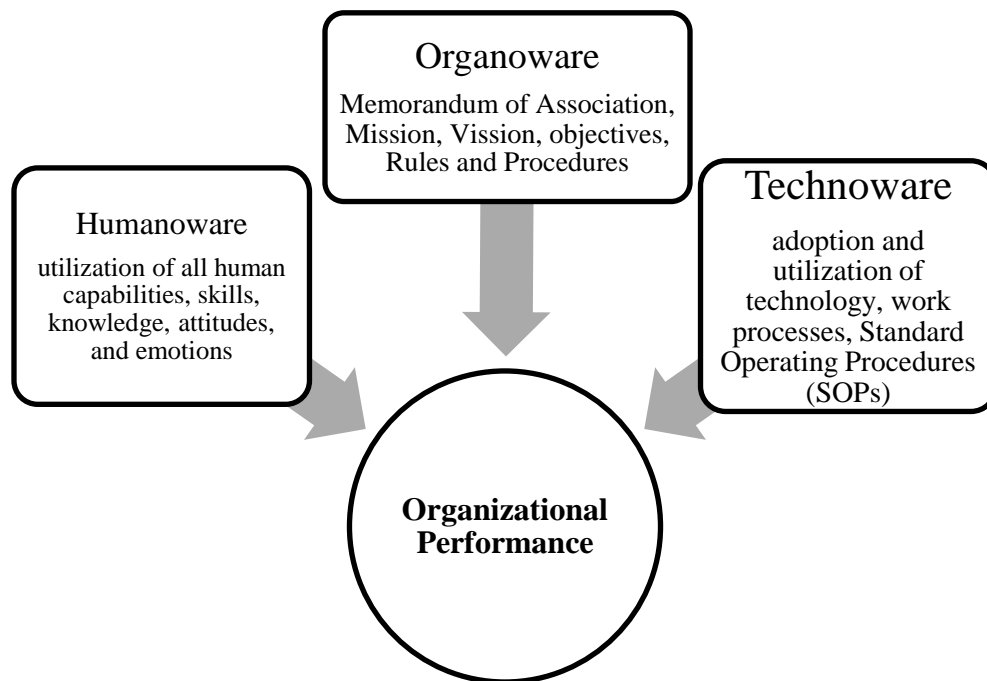
Figure 1.1 Schematic representation of factors affecting organizational performance

Organoware, which essentially refers to the design issues of the organization, including its stated purpose, activities it will pursue, and values it will uphold along with the blue-print of interrelationships among individuals and roles within the organization is critical. It forms the core of the organization including its raison d'être and is encoded in varieties of forms like the memorandum of association, the bye-laws, the employee handbook, service manual, the board resolutions, the memos issued by the management, etc., which not only states how the

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[3] Influenced by the software and hardware distinction in the field of technology and the literature on socio-technical systems, the authors have conceptualized a framework to understand the functioning of modern complex organizations.

organization is to be governed but also how the relationships among various actors within the organization will be maintained. It deals with the design and structure of the organization and thus, forms the basis of the organization's success.

Technoware refers to the way human resources, within the organization, appropriate the products and processes that are available to them to accomplish the required tasks for achieving their stated goals. Thus, it is not just the technology that is available to organization rather the way it is utilized by the organization, in this case the Organoware and the Humanoware, to further its objectives. *Technoware* is both the result of the *Organoware* and often also dictates changes in the *Organoware*. The later has become more dominant in the present context.

In present times, creation and adoption of new technology has hastened the evolutionary experience of human beings. Because of the ever-changing technology, organizations bring constant changes in their *Organoware*. For example, in pre-mobile phone days, a letter had to pass through one desk to another with the help of an assistant, whereas, today the same can be achieved through SMS so the position of an assistant is no longer required or the same assistant could be assigned to some other work after proper training. Organizations do not need time-keepers as technology is being used to monitor work processes leading to a reduction in the number of supervisors. However, the *Technoware* also determines the structural changes that can be put in place because the potential of such technology utilized by the organization is limited by the *Humanoware* and the *Organoware*. The *Technoware* often defines the boundary of the organization's potential and at other times brings about radical changes in the *Organoware*. The third dimension of organization and management is the H*umanoware. It* refers to the human capabilities that are available to the organization to accomplish its goals. *Humanoware* gets decided based on the *Organoware* and the *Technoware* available and thus, is the resultant human capacities that are available to the organization to be utilized as a result of the interaction of the *Organoware* and the *Technoware*.

The present study draws from the above understanding and tries to explore the balance or fit of *Humanoware* with the existing *Technoware* and *Organoware* in place. Earlier studies have indicated that many cooperatives are lacking in sound HRD principles. They lack in crucial areas

such as recruitment, placement, training, career progression, etc[4]. Thus, the present study focuses on the adequacy and appropriateness of human resources in the cooperative milk unions, the extent to which scientific HR processes are adopted in these organizations and the perception of HR climate by the employees in these organizations.

1.2 Brief about the National Dairy Plan Phase I

The "National Dairy Plan" phase I is a central sector scheme for a period of six years, (extended by another 2 years) from 2011-12 to 2018-19 with a total outlay of about Rs. 2,242 crores comprising of Rs. 1,584 crores as International Development Association (IDA) credit, Rs. 176 crore as GoI share, Rs. 282 crore as share of End Implementing Agencies (EIAs) that are carrying out the projects in participating States and Rs. 200 crore by National Dairy Development Board (NDDB) and its subsidiaries for providing technical and implementation support to the project. It is a multi-pronged series of strategic initiatives to increase productivity through scientific breeding and nutrition, and control of animal disease. Strengthening Village based milk procurement system by expansion, strengthening the existing dairy cooperatives and promoting producers' companies or new generation cooperatives were among other strategic interventions. Implementing ICT based information systems for integration of all activities including monitoring and reporting were also undertaken. In accomplishing this, the NDP - I envisaged creation of meaningful and remunerative livelihoods for small-holder milk producers of the country[5].

Thus, the project is being implemented with the following specific objectives:

1. To help increase milk production to meet the rapidly growing demand for milk.

2. To help provide rural milk producers with greater access to the organized milk-processing sector.

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[4] Biswas, S. N. (2015). Organizational Behaviour Research in Rural Producers' Cooperatives: A Neglected domain. *International Journal of Rural Management*, *11*(1), 40-59.
[5] Source: https://www.nddb.coop/sites/default/files/pdfs/NDP%20Brochure-Eng-single%20page).pdf downloaded on 2 February, 2019.

1.2.1 Project Area and Coverage of NDP-I

NDP-I focuses on 18 major milk producing States which together account for over 90 percent of the country's milk production. Its benefits will, however, accrue to the country at large. The scheme is being implemented by NDDB through end implementing agencies (EIAs) comprising of State Livestock Boards, State Cooperative Dairy Federations, District Cooperative Milk Producer Unions, cooperative forms of enterprises such as Producer Companies, Trusts (NGO's, Section 25 companies), subsidiaries of statutory bodies, ICAR institutes and Veterinary/Dairy Institutes/Universities and any other entity as may be set up by the National Steering Committee under NDP I. The EIAs are eligible for funding under various components of the project based on the eligibility comprising of geographical, technical, financial and governance parameters.

1.2.2 Project Components

Productivity Enhancement through Animal breeding activities of Artificial Insemination, Progeny testing, Pedigree selection and Strengthening of Semen stations; and Animal nutrition activities of Ration Balancing Programme and Fodder Development Programme;

Village based milk procurement system through mobilization and institution building of small holder milk producers, development of village level infrastructure and training and capacity building of milk producers and field functionaries;

Project Management and Learning through various centralized activities.

1.3 Importance of Human Resources

One of the most enduring and oft quoted statements by industry leaders since the days of Henry Ford is that employees are the most valued resources of the organization[6]. Value addition at every level in any organization is a result of human effort; this endorsement is also mirrored by extant research in management of organizations which unequivocally state that value creation

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[6]Guest, D. 2001. Voices from the boardroom. London: Chartered Institute of Personnel and Development.

in organization is essentially a product of human intervention. It is an established fact that only with the help of advanced technologies and excellent manufacturing and processing practices organizations cannot enhance operational performance and achieve financial goals that are envisaged. It is the people that matter. Human resources are the ones who bring about real transformation by matching their skills with the requirement of customers and the society. Extant research in different areas of management has highlighted the importance of adequate and competent human resources for growth and development of organizations. At this point it should be noted that that the human resources are qualitatively different from any other resources like financial resources, material resources, and the technological resources that are available to the organization. Two facets make human resources distinct from all other resources one is will and the other, human emotion. These two facets of human resources can bring about exponential growth in organizational performance and, thus, can be leveraged as strength of the organization at the same time if not managed effectively it can become the greatest block for organizational performance. The Human Resources Function in organizations is essentially geared to perform the role that can make Human Resources effective not only by selecting right candidates at the right time but also leveraging will and emotions of human resources in the organization.

1.4 HRM and Organizational Performance

Numerous studies across industries and samples of organizations have demonstrated that organizations have displayed high performance and gained competitive advantage by putting people first. Whenever organizations have treated their human resources as a portfolio of assets to be dispensed off either by downsizing or outsourcing, they minimize the costs at the expense of destroying organizational culture. In early 1990s, Apple Computers had cut about 14 percent of jobs and laid-off close to 2500 people. This reduction in employee strength continued till the return of the maverick founder Steve Jobs[7] in 1997. Human Resources, when used effectively have an enduring as well as positive impact on several aspects of organizational performance. The philosophical underpinnings, resultant policies, and consequent HR practices within the organization directly and indirectly affect employee capability and motivation along with

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[7]Pfeffer, J., & Veiga, J. F. (1999). Putting people first for organizational success. Academy of Management Perspectives, 13(2), 37-48.

financial performance of the firm. This in turn enhances firm's credibility and its influence in the society at large. Most globally influential firms have excelled due to their high standards in human resources management. Recent researches in the field endorse that effective human resources planning is important to retain and motivate employees. To remain attractive to highly talented candidates, it is equally important to devise compensation and benefit plans along with appropriate performance management system. This will not only positively discriminate between high and low performers but also make known the importance of performance throughout the organization. Human resources function in effective organizations also plans exit or outplacement of employees who have not been able to cope up with the job demands due to lack of basic abilities or motivation or both. It is imperative that the human resources teams in the organization continually design and facilitate delivery of high-quality training programmes for enhancement of employee competence to meet the challenges posed by ever-changing business world. Thus, HRM policies and practices can contribute immensely for creation of sustained competitive advantage for firms in a globalized economy[8].

The evidence of a strong positive relationship between HRM practices and performance of business organizations is accumulating at a great speed[9]. It is found that effective deployment of human resources is the most powerful instrument in achieving competitive advantage over other firms[10]. Similarly, increasing number of research indicates HRM practices have a positive impact on indicators of organizational performance. These practices include emphasis on employee selection based on fit with the company's culture, emphasis on behavior, attitude, and necessary technical skills required by the job, compensation contingent on performance, and employee empowerment to foster team work, among others.

Having observed the decline of many firms in wake of downsizing and outsourcing in search of competitive advantage, it is suggested that organizational decline can be arrested only

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[8]Barnes, E., & Adam, C. (2018). The Importance of Human Resources in a Globalised Economy: A Conceptual Framework. Canadian Journal of Applied Science and Technology, 5(2), 134-142.

[9]Guest, D. E., Michie, J., Conway, N., & Sheehan, M. (2003). Human resource management and corporate performance in the UK. British journal of industrial relations, 41(2), 291-314.

[10]Barney, J. B. (1995). Looking inside for competitive advantage. Academy of Management Perspectives, 9(4), 49-61.

when seven factors in HRM will be followed. This prescription emerged after studying the reasons of failure of firms over four decades and entailed the following seven principles[11]:

1. **Employment security**: Firms that offer employment security in terms of long-term contracts or permanent jobs are able to secure greater commitments from the employees and experience less attrition. Consequently, organizations also take risks in investing in employees through capacity development, mentoring, and coaching with the hope of reaping sustained benefits over the years. Secondly, it was observed that when organizations start laying off people fast, high performing employees start leaving the company. Firms having high attrition rate also become the least attractive employer and talent attraction suffers.

2. **Selective hiring:** One of the most important human resources practice is selective hiring. High performing organizations are extremely selective about hiring appropriate people. Educational qualifications are surrogates for competency, but they are not competencies themselves. A high performing employee should not only have the requisite qualification but also have the right knowledge, skills and attitudes to perform tasks effectively. Job of the Human Resources department is to find that fit.

3. **Self-managed teams and decentralization**. With rapid changes in the external environment, organizations need flexibility in operations and faster decision making. One way of achieving flexibility in operations is to build teams within the organization who have distinct responsibility for different aspects of a single task. Similarly, for faster decision making, it can be decentralized with people responsible for task accomplishment may be made responsible to take decisions or decisions can be made by small teams.

4. **Comparatively high compensation**. Compensation and benefits are often a vexed issue in the organizational context. It is often difficult to decide on a good compensation. However, most people compare their compensation with comparable others both within and outside the organization. While maintaining relatively higher compensation and benefits for employees, compare to comparable jobs elsewhere. It must be noted that internal parity has to be

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[11] Pfeffer, J., 1998. Seven practices of successful organizations. California Management Review 40 (2), 96–124.

maintained or else it can be a great source of dissatisfaction. However, in all cases the value addition by the individual employee should be considered while arriving at a figure for compensating the employee for the contribution.

5. **Extensive training.** Human knowledge is ever expanding. New skill sets are always emerging at the horizon. For an organization to be an effective player it has to constantly upgrade the knowledge, skills and attitude of its employees. The human resources department of an organization has to constantly monitor the knowledge and skill gaps and attitudinal deficits in employees and organize appropriate training programmes and also measure the effectiveness of such training programmes in most scientific manner.

6. **Reduced status distinctions and barriers**. More the organization creates status distinction and barriers among employees, greater the conflict within the organization. Therefore, attempts should be made to reduce distinctions in attire, language, office arrangements, etc. across the organization.

7. **Extensive sharing of financial and performance information.** Two principles operate behind this suggestion. One is that knowledge of the results improves performance. Whenever we get a feedback on our performance and we are told on what aspect of the performance we have been weak we try to improve our performance. However, at the organizational level when we are told about the performance of our organization, to which we have contributed, we experience a sense of belonging. Thus, it helps us to improve our performance and also forms the basis of employee engagement.

Thus, human resource management has great value in enhancing businesses and this goes beyond the organization's ability to satisfy regulating agencies. However, many organizations fail to meet the minimum conditions stipulated by the regulating agencies. Regulating agencies set the minimum conditions to regulate the employer-employee relationship but, at times, it is not sufficient for enhancing business goals. By the turn of the twentieth century both industrialists and governments had realized that employees need certain basic conditions to become an efficient productive force. In fact, the belief that individual employee performance has

implications for firm-level outcomes has been prevalent among academics and practitioners for many years. However, in the twenty-first century with the advent of disruptive technologies and fast growing knowledge organizations and knowledge based workers, things have changed rapidly. Unlike the past, technology is not confined to few countries; there is rapid transmission of knowledge through communication medium, information storage and retrieval is taking place at lightning speed and so also the competitive challenges both within and without. More importantly, people and cultures are changing fast. Organizations are adapting at a much faster pace (e.g., McDonald and KFCs serving vegetarian food in India and Dominos becoming 100% vegetarian in India). The flexibility that organizations are displaying in response to market demands is amazing. Great new age brands like Google have adopted cutting edge Human Resources practices, which have held them at the top[12].

1.5 Human Resource Management Systems

The effects of Human Resource Management Systems (HRMS) on firm performance are an important research issue taken up by several scholars over the past two decades. HRMS refer to a combination of HR processes and practices that complement work structures and processes in order to maximize the performance of the firm and create sustainable competitive advantage too. Large number of empirical work and in-house organizational studies show that HRMS can lead to improved organizational performance.

Researchers and organizations alike have committed themselves to understand the effectiveness of HR practices and processes on firm performance in a macro perspective and often these studies are conducted in organizations which are public or private in nature. Corporate organizations have remained at the forefront of such studies, owing to two reasons (a) HR was long considered as a cost structure and hence performance evaluation became a necessity; (b) scholars in business management found corporate to be easy ground for such studies because of established processes and practices of human resources. At the frontier of

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[12]Abhijeet   Pratap   (2018).   Google's   Human   Resource   Management   Strategy. https://www.cheshnotes.com/2017/03/googles-human-resource-management-strategy/ Last updated on December 12, 2018.

modern Human Resource Management studies, Dairy sector in general and Indian Dairy Sector Cooperatives in particular can be found to be neglected. There are still many questions that have remained unanswered such as (a) What are the critical HR issues in Dairy Coops, i.e. critical competency requirements, manpower gaps, training and capacity building gaps; (b) What are the existing mechanisms/approaches in Dairy Coops to address the critical HR issues and gaps.

1.6 Need for the Study

NDP (Phase I) is being carried out in 18 major milk producing states, which account for over 90% of total milk produced in the country. The major focus of the project has been the District Cooperative Milk Producers Unions, which required both physical infrastructure as well as quality human resources. To sustain the activities set in motion in NDP (Phase I) the milk producers' unions will require adequate and qualified human resources. There are two essential drivers that will lead to the growth of dairy sector in India. One, rise in income and urbanization and two, the steady and rising income provided to farmers by milk cooperatives across the country and squeezing of income from agriculture.

Research has established that with rising income and greater degree of urbanization, demand for meat, fish, eggs, and dairy products increase (high protein foods) more compared to cereals, vegetables, fruits, etc. (Low protein foods)[13]. However, milk consumption is on decline in the industrially developed countries, but this is also moderated by rising meat consumption worldwide, but India will be an exception as it is largely a vegetarian country and, thus, instead of increased meat consumption it will see a rising demand in milk and milk products.[14] Though the demand for liquid milk may stagnate after reaching a critical threshold (usually the growth after the critical point may come only from population growth) but demand for milk based comfort foods (i.e., cheese, ice creams, chocolates, milk based indigenous sweets, yoghurt, etc.)

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[13] Melo, P. C., Abdul-Salam, Y., Roberts, D., Gilbert, A., Matthews, R., Colen, L., ... & Paloma, S. G. Y. (2015). Income elasticities of food demand in Africa: a meta-analysis. Joint Research Center of the European Union.

[14] Kearney, J. (2010). Food consumption trends and drivers. Philosophical transactions of the royal society B: biological sciences, 365(1554), 2793-2807.

that are nutrition rich and healthy[15] may grow beyond the point at which the liquid milk growth stagnates. From the demand point of view India is poised at an interesting juncture for growth. This growth can be triggered only by fostering creativity and innovation in all aspects of milk business from product development to marketing. When income grows individuals do not necessarily want more of the same thing but more from different things; their needs are triggered by variety, availability, and affordability.

In the preceding years, dairy business has become more complex, partly due to de-regulation and partly due to the rising and varied expectations of consumers. However, most of the dairy cooperative producers unions have for long neglected the most critical aspect of the business – that is attracting, selecting and motivating adequate numbers of qualified professionals. This has largely been due to the lack of any evidence based research on the need for adequate number qualified professionals required in dairy sector and the human resource functions in dairy producers' unions.

Dairy co-operatives, cannot remain immune to the changes in the business landscape. Just like any other organization, performance of dairy co-operatives is also driven by, among other factors, the quality of human resources available to it. Given the range of stakeholders that dairy co-operatives serves and the value created, it is imperative to look at the human resource (HR) value proposition in the context of dairy co-operatives. It is in this context that there is an urgent need to assess the HR issues and needs keeping in mind the HR value proposition for dairy co-operatives.

1.7 Objectives of the Study

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[15] Foods that are emotionally comforting because they release small amount of opiates (Source: Wansink, B., Cheney, M. M., & Chan, N. (2003). Exploring comfort food preferences across age and gender. Physiology & behavior, 79(4-5), 739-747).

The study had the following major objectives:

1. To understand the present state of Human Resource Management and Human Resource Development in terms of competencies, and HR functions within the Cooperative Milk Unions (CMUs).

2. To understand critical competency requirements, human resources gaps, training, and capacity building issues in the CMUs.

3. To assess the existing mechanisms/approaches in Cooperative Milk Unions (CMUs) to address the critical HR issues and gaps as compared to the industry benchmarks.

4. To sensitize the Decision makers of these organizations to the criticality of HR issues in organizations.

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LITERATURE REVIEW

Chapter 2 - Literature Review

This chapter presents a systematic review of literature on Human Resources in general and highlights the important functions that human resource department must be performing in the organizations. Chapter also highlights the HR competencies required in the HR professionals to perform their role effectively.

2.1 Human Resource Management

Over the years, employees have identified ways to develop by means of education, training and organizational development. They are looked at as the greatest asset for organization in terms of their ability to process their knowledge and experiences leading to their ability to run business functions with expertise. Talent must be managed properly to achieve organizational effectiveness and enhance individuals' effectiveness. Hence, as stated by Haslinda (2009), "the practice of HRM and HRD works to ensure that employees are able to meet the organization's goals"[16].

Human Resource, in general, has found it difficult to establish itself as a separate department in the organization. Distinctive evolutionary phases underscore its' transformation from being largely focused on administrative record keeping in the beginning, through the process efficiency emphasis of the 80s, to management's current recognition that the strategic nature of an organization's human resource management system is a critical asset. In the later part of twentieth century, it started evolving from being known as Labour Relations, Industrial Relations, Administration, Personnel Management, Human Resource and many other similar titles depending upon understanding and expectations of the management of various organizations. Amongst these, Labour Relations and Industrials Relations took a narrow view of managing labour to ensure that industrial peace and harmony is maintained in the organizations which can in turn lead to higher productivity. Administration and Personnel Management on the other hand broadened the scope of labour and industrial relations by including functions such as payroll preparation, performance evaluation and training to some extent. Since then, the roles of

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[16] Haslinda, A. (2009). Evolving terms of human resource management and development. *The journal of International social research*, *2*(9), 180-186.

HR have diversified in response to increased competition into strategic partnership, administrative expert, change agent, and employee relations expert. As a resultant of this evolution, today, the two most prominent HR functions that prevail in organizations are HRM and HRD based on which functions of management of recruitment, talent, compensation, performance are performed.

Industrial psychology of the workers was introduced in the 19th century to respond to the industrial revolution. Subsequently, there was rise in the need for labor which raised the demand for maximizing the wellbeing of industrial labour. Organizations scaled up later in terms of production of goods and services because of advent of sophisticated technology and up-gradation of machinery. This resulted in employees of different departments coming closer to ensure that management addresses their needs for pay rise, welfare and working conditions. Further to this demand, welfare secretaries came into prominence to administer the labour working in factories and organizations through a personnel management department. The employees were provided with appropriate training and understanding of the working of the organization, thereby, developing a meaningful resource in the form of people. Thus, the requirement to manage and administer the needs of the employees, led to the transition of departments from personnel management department to human resource management.

Over the years, Human Resource Management has established itself widely and expanded its functional responsibilities in the organization. However, the functional distinction between the term personnel management and HRM has invited a lot of debate. The HRM functions mainly involve recruitment and selection, performance management, compensation management, training and development, strategic alignment, etc. Some researchers in the area of human resource management noted that HRM function is at the cross-roads, as on the one hand, it has tried to establish itself as a separate department in organizations; whereas, on the other, it's most traditional functions of managing recruitment and performance are outsourced. The unavailability of competent HRM professionals or the costs associated with these functions may prompt this outsourcing.

Human Resource Planning:

Considered to be one of the most crucial and amongst the first functions identified for the human resource department in an organization is human resource planning. Human Resource Planning is future oriented and deals with two questions:

(a) What kinds of people will be needed to manage and operate the organization in future?

(b) What kinds of human resource policies and programmes are needed to achieve human resource and organization objectives?

Five phases of human resource planning are defined in the extant literature:

1. Analyze the external environment of human resource management to understand the external about market;
2. Linking HRP to strategic business planning;
3. Analyzing human resource supply and demand by estimating the employee turnover and finding out the expected need depending upon features such as expansion of markets, customer base or geographies;
4. Generating, analyzing and developing functional area human resource strategies;
5. Reviewing and monitoring planning results.

Recruitment and Selection/ Talent Acquisition:

The function of talent acquisition starts with finding the right candidate through a systematic effort which also involves attracting the right talent. It is subsequently followed by screening the applications from the applicant pool. Interviews or other right methods of selection are followed. The position that needs to be filled can be advertised to the potential applicant through a variety of channel which may include print media, web-based media, employment exchanges, career fairs, executive search firms, etc. In many industries employees are most

commonly hired at an entry level and include recent graduates. Selection process varies to a great extent must is most commonly limited to panel interviews and written tests in most of the industries. Written tests can generally be classified into types which are subject based tests and behavioral tests. In some instances, it might be necessary to select a candidate who demonstrates the highest competence on one or a couple of crucial characteristics. In other instances, an average level of competence may suffice, but under the condition that it would have to be demonstrated at a desirable level across all characteristics.

Performance Management:

Human Resource Management researchers state that HR in an organization, is used to develop a competitive advantage among the employees. The skills and knowledge of employees along with their performance of Key Performance Indicators (KPIs) are measured through formal performance management system. In both, services and product industries, the challenges to develop and maintain a performance management system are higher as the HR department is not often consulted in the process. This leads to misdirected analysis of the cause, thus costing the organization in terms of time and resources. In the system perspective, HR balances the inputs, outputs, and intermediary processes by linking the different resources to influence business processes and affect the entire organization's structure based on performance.

Compensation Management:

Compensation management is a systematic and periodic approach through which employees are being rewarded for their efforts that they put in at their workplace. Compensation comprises of wages, salaries, incentives and other benefits which are given to the employees in the organization. Well defined compensation plans help organizations in achieving efficiencies by attracting qualified employees, retaining high performing employees, encouraging employees to develop additional skills and motivating employees to increase performance. Inadequate compensation plan is reported as a major reason for employee turnover in organizations. Researchers have found a significant and positive correlation between compensation and career satisfaction among employees in various manufacturing and services industries. For employee's

compensation system provided by organizations largely determines their standard of living, social status and sense of worth and achievement.

Training and Development:

Human Resource Development fails to secure a seat at the strategic planning table in many organizations, because most managers believe that development of employees through HRD functions such as Training is an unnecessary cost. However, with the evolution in the role and functions of HR, the function of training and development has become an important function and can be seen as an integral part of most organizations irrespective of the relevance attained by other HRD functions. Training and Development function involves identification of training needs of the employees through training need analysis. Training needs may emerge through performance appraisal where either through self-appraisals employees' report need for training or their appraiser identifies need for training. Some organizations also conduct training need analysis through a multitude of exercises most common of all being structured employee surveys. Once training needs are identified training design takes center stage where it becomes the responsibility of the HR department to identify the modes and methods of training delivery and identification of trainer. Two broad training methods are identified as on the job and off the job training. On the job training follows the principle of leaning by performing and requires the trainee to perform on the job while performing the actual job. Common advantage cited by the users of on the job training method is that is does not disrupt the actual work. Also, cost of training is moderate in case of on the job training. Off the Job training on the other hand follows the principle of leaning by acquisition of knowledge which is away from the actual site of work. Trainers in case of off the job training make use of case studies, role plays, simulations and lectures to train the employees/trainees. Once training is delivered, it becomes important to measure effectiveness of training programme. One of the oldest and most widely used models for measuring training effectiveness is Kirkpatrick Model. The model first published in 1959, breaks down complex subject into manageable level. The model essentially measures four levels: Reaction, Learning, Behavior and Results. At the reaction level, trainees' feedback is obtained on the training, employers and trainers can learn how they can improve the subsequent training courses. At leaning level, knowledge, skills, attitude can be measured through means of

knowledge tests and quizzes. Level three (behavior) measures the degree to which participants have adjusted their behavior and apply what they have learnt into their jobs. At the fourth level, results are measured. The overall success of the training programmes can be evaluated by many factors such as higher productivity, improved quality, higher quantity of sales, reduced number of accidents, etc. Ultimately, improved business performance is the desired objective of the organization.

Career Planning and Development:

Career Planning involves matching an individual's career aspirations with the opportunities available in an organization. Career path is a sequential pattern of the specific jobs associated with these opportunities. Career planning involves identifying the means of accomplishing desired results, and in this regard of career plans, career paths are the means of achieving aspirations. It becomes the responsibility of the human resource department to develop right type of career development programmes so as to make the people grow to their full potential and to retain skilled, competent and talented employees in the organization. Some organizations use career development programmes to identify the right kind of talent available for promotion and posting, some organizations often restrict career development programmes to managerial and professional staff, while others provide it for both managerial as well as non-managerial positions.

2.2 HR Competencies

It is important here to review the HR competencies to understand the set of traits that professionals must possess to perform effectively. A competency is a set of defined behaviors that provide a structured guide enabling the identification, evaluation and development of behaviors in individual employees. A review of competency models available to define HR effectiveness was reviewed to identify the major competencies required to perform the functions of HR.

The 2014 Association for Talent Development (ATD) Competency model is the most recent model specifically for HRD professionals. This competency model was developed to

define competencies for success of HRD professionals in organizations. This model is holistic, both in its conceptualization and implementation. It includes the areas of expertise which correspond to the current organizational environments. A schematic representation of the model is presented in Figure 2.1.

Managing Learning	Areas of Expertise	Performance Improvement
Integrated Talent Management		Instruction Design
Coaching		Training Delivery
Knowledge Management		Learning Technologies
Change Management		Evaluating Learning Impact

Foundational Competencies					
Business Skills	Global Mindset	Industry Knowledge	Interpersonal Skills	Personal Skills	Technology Literacy

Figure 2.1 ATD Competency Model (2014)

Competencies presented in Figure 2.1 are essential for HR professionals to prepare organizations to adapt to emerging trends and sustain themselves in a competitive environment. While the model presented above is prescriptive in nature it is also important that HR professionals in organization are given functional autonomy. The initiatives undertaken by HR must be supported by the organizational policies, systems and available resources. HR vision is often shaped around limitations posed by organizational policies, systems, and available resources which lead to questioning the value of HR in the organization. It is important to

develop a long-term partnership between HR and the organization so that they can tend to each other's need.

2.2 HRM Practices in Indian Context

With the turn of the last century, organizations in India started facing challenges that were not known to them since independence. Most organizations in India were oblivious of standards of many aspects of business that were set globally. Thus, these organizations were left behind with an increase in competition. However, some of these organizations soon realized that they will have to act quickly so they started streamlining their processes, which involved a relook at the human resource management aspects of organizations. Many organizations, particularly in public sector and cooperatives had got highly bloated with human resources not suited to the business goals of the organizations. This was the consequence of faulty recruitment and selection processes. Faced with competition from leaner organizations with highly competent workforce, these organizations started to focus on downswing, outsourcing several services, and engaging casual employees to accomplish their goals. One of the consequences was that many such organizations started outsourcing their core competencies or engaging individuals who do not have any long term interest in the organization or in the profession. This resulted in business failures. What was missed out by many leaders in organizations that the bloated workforce was caused by inefficient and inappropriate recruitment and selection process and lack of understanding of how to align the human resources function with the business processes. Rightsizing the workforce never meant not inducting or onboarding the right talent. Once the gap was understood many practitioners as well as academicians started asking hard questions about the quality of the competence they had within the organizational system. With the protective sheath of market interventions by government gone, many within the public sector understood that market domination is no longer guaranteed. The shift from an industrial to a knowledge society and the rise of human capital has created an environment that challenges organizations to stay competitive.

The last two decades have witnessed a substantial increase in awareness concerning the value of human resources in all kind of businesses. Several leaders in both academia and practice

noted that organizations realize that to be successful and competitive they must continuously improve the way they organize and manage themselves, stating that competitiveness will ultimately depend on their capability to configure people and design a system for optimal execution of strategy.

2.3 Factors of HR Values

Human Resource Departments of organizations are increasingly expected to operate as a business partner to the organization. Like the organization the HR department is required to have its own mission and strategy that states why they are there in the first place, where they would like to go. The HR should have a set deliverable in line with its mission statement. For example, the mission of the HR department may be to create value for the organization by planning ahead of the competition thee human resources requirement as per the business plan of the organization by ensuring that the right type of candidates apply to the organization and those who get selected have the right set of skills, knowledge and attitudes, functional area managers have the requisite trust on the HR department to help them in getting the right people, building skills of the people and device compensation and benefits so as to offer maximum employee involvement and higher quality output. Similarly, as a business partners the HR department is expected to contribute to creation of a positive image of the organization to the external customers and potential applicants as an attractive employer.

The first activity for the HR department is to set up the HR organization in line with the business needs and organizational structure. When the organization is in single line of business and relatively small say less than 200 staff it may have one HR unit with 2-3 HR professionals dealing with basic policies and practices for hiring, training, and employee compensation and benefits while running the office and administrative side of the business. However, when the organization grows and line of business multiplies the role of HR organization also changes. Secondly, if the business is more dependent on blue collar worker as opposed to more of white collar workers the statutory and legal requirements of the HR organization also grows. Thus, with only 200 employees the HR organization's major work may relate to legal compliances. This can vary across states owing to the differences in the labour laws across states.

The first step for the HR organization is to standardize policies and practices of HR which is referred to as Crafting HR practices (People, performance, information and work): The second step in HR value creation is to build HR resources in terms of strengthening HR organization in delivering three essential things required to align with the business strategy. One, determine the capabilities that are required to deliver the strategy that was worked out. Secondly, determine performance managements systems and standards. In today's world most of the performance management systems can be delivered by leveraging ICT capabilities of the organization. The HR department has to work towards that would best deliver these capabilities. Lastly, the HR department has to work-out a strategy for delivering all the HR practices in a standard format (for single business single unit operations) in a standard format. A schematic representation of this is presented in Figure 2.2.
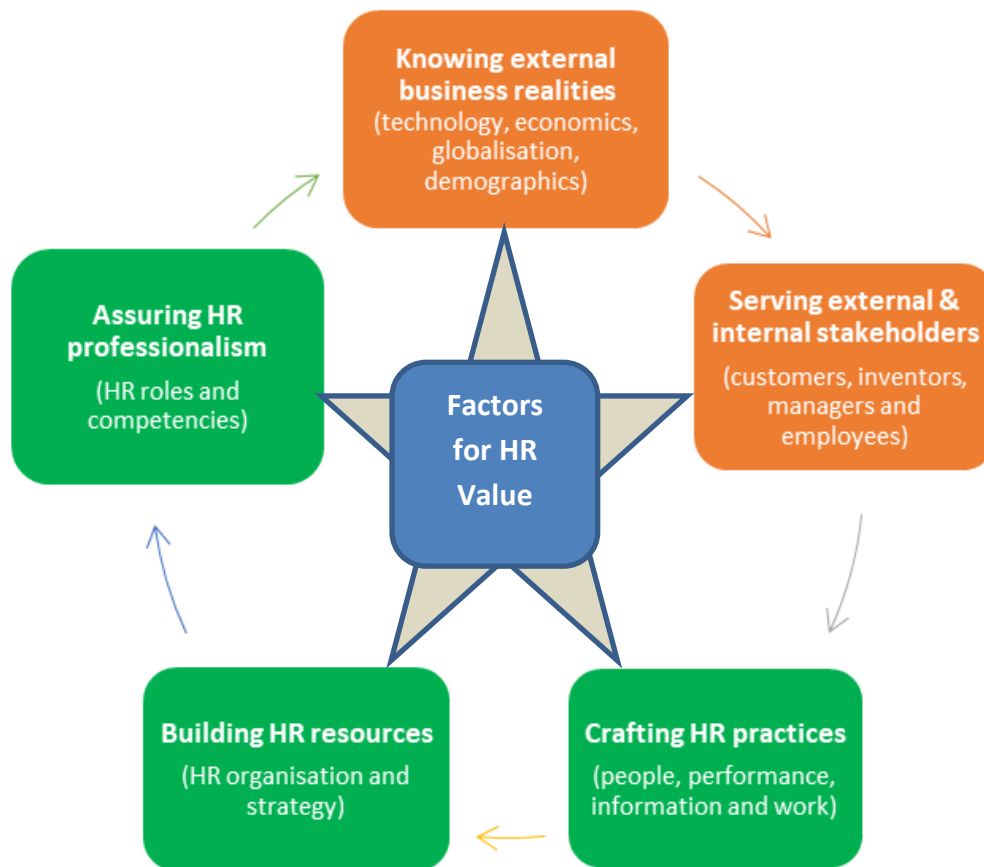
Figure 2.2 Factors for HR Value

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METHODOLOGY

Chapter 3 - Methodology

Methodology of this study was decided based on the objectives of having in the sample a cross-section of the Cooperative Milk Unions covered under NDP – I of the National Dairy Development Board (NDDB) and are categorized as the End Implementing Agencies (EIAs) by NDDB. Therefore, all milk Unions under NDP – I were within our sampling frame. We also wanted to cover all the aspects of Human Resources Management issues in the Cooperative Milk Unions.

3.1 Selection of the organizations

There are 129 Cooperative Milk Unions (CMUs) under NDP – I. All the CMUs formed our sampling frame. Because of the resource and time constraints, study team sampled about 15% of the organizations. Thus, in consultation with NDDB team, it was decided to include 19 CMUs. However, one organization out of these 19 was kept out for conducting the pilot study. The study team carried out pilot study in one of the milk unions in South Gujarat (Valsad Milk Union). The objective of the pilot study was to find out the efficacy of the tools in eliciting the required information, ease of conducting interviews and FGDs according to the protocol. The study team followed a stratified random sampling method to ensure diversity of sample. Description of sampled Milk Unions is present in Table 3.1. To ensure diversity a double axis sampling criterion was chosen; the primary axis was size of the organization in terms of average procurement/milk handled during the immediately preceding financial year and the secondary axis was the region (i.e., north, south, east, and west). We reckoned that double axis criteria will provide us with enough diversity of organizations so that the sample is representative of the population.

Table 3.1 Region and Category wise distribution of Sampled Milk Unions

	NORTH	SOUTH	EAST	WEST
SMALL	Varanasi	Mulkanoor Guntur	Nadia	Aurangabad Jabalpur
MEDIUM	Jalandhar	Ernakulam Mangalore	Cuttack	Bharuch Ujjain

| LARGE | Jaipur | Hassan | Samastipur | Banaskantha |
| | | Salem | | Kolhapur |

(a) **Size**: In any dairy business involved in procuring and marketing of milk and milk products, the average daily procurement over a period of one-year has been found to be a good surrogate for many other size related variables (business turnover, employee size, processing capacity, etc.) get determined by the quantity of milk handled. At times, the dairy organization may not have the installed capacity to process milk and when they receive more milk than what they can process they may send it to other dairy processing units. However, the organization spends a lot to procure the additional milk which they may not process or market. Nevertheless, it is the milk collection and milk received from other dairies determines the total workload of the organization. Thus, average daily procurement in preceding financial year was taken as an important indicator determining the size of the organization. We classified size into three categories. Organizations having collections more than an average of 5 lakh liters per day were considered as '**Large**' organizations. Those having collections between 1 lakh liters to 5 lakh liters per day were considered '**Medium**' sized organizations and those having collections less than 1 lakh liters per day average in the preceding financial year were considered as '**Small**' organizations. We decided to select 6 organizations from each category.

(b) Regions: In terms of both administrative ease and regional variations in terms of natural endowment and markets, NDDB has created four regions (e.g., North, East, West, and South). There is a huge variation in terms of natural endowment and culture across regions. In discussion with the NDDB officials we decided to have 6 organizations each from southern and western regions and 3 each from northern and eastern regions. This was determined partly because in the east and north, there were fewer large CMUs and they were mostly small in size; having a higher concentration of small sized organizations in the sample might have had an adverse effect on generalizability of the findings. The break-up of EIAs across regions for the sampling frame and the sample is presented in Figure 3.1.
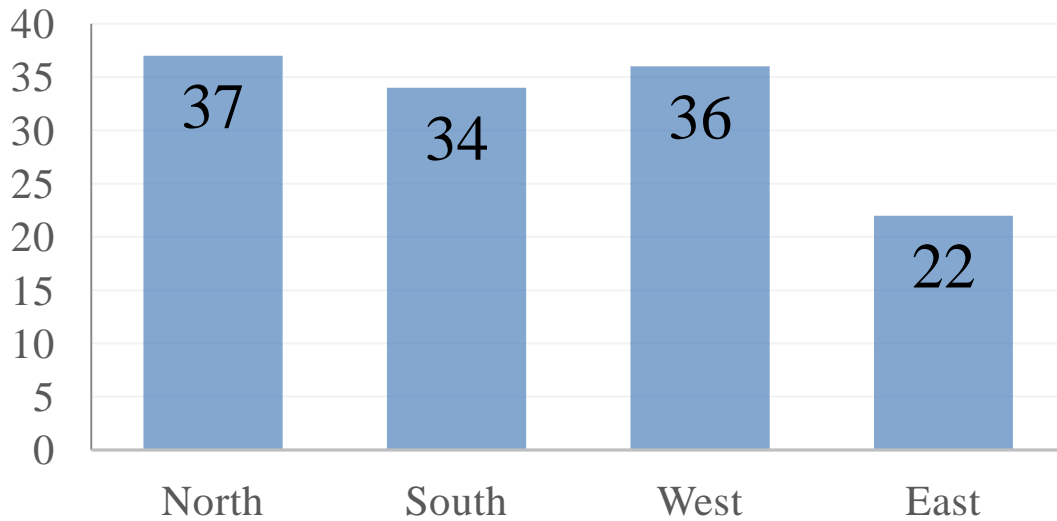
Figure 3.1 EIAs in the sampling frame   Note: N = 129

3.2 Description of organizations

There are many variables which affect the performance of organizations, for example, variables like age of the organization, total farmer members, equity capital base, number of dairy societies and the average membership per society, total number of employees and total milk procured. So, we collected data on each of the aforementioned variables. The Cooperative Milk Unions were established at different points in time and the age of these organizations ranged from 5 to 59 years with an average age 14.19 years. The paid up equity of the sampled organizations ranged from Rs. 1.42 Cr. to Rs. 125. 95 Cr. with an average of Rs. 19.97 Cr. Similarly, the organizations had farmer membership ranging from 22,879 to 6,07,907 farmers, with an average of 1,48,575 farmer members.

3.3 Measures

3.3.1 EIA Survey Questionnaire (General Information)

To develop an understanding about the organization we developed a survey form to capture the basic information about the organization that includes the age of the organization, size of the organization in terms of annual turnover, human resources, range of products, financial aspects of business, procurement, etc. Apart from this, data on the business context is also gathered. The questionnaire is presented in Annexure-I. Along with this we also collected the financial statements of the organization for the preceding four financial years, as presented in their Annual Reports.

3.3.2 Human Resource Audit Checklist/ HR Function index

The study team developed an exhaustive checklist of HR systems and functions to take stock of existing systems and functions. The HR functions are the necessary functions of an HR department in any organization. Usually, this is taken as an HR audit exercise. The HR audit exercise consists of a seventy-item check-list of basic necessary functions of HR department in an organization divided into eleven dimensions ranging from safety and security to compensation management. An index of HR functions attainment is created for each dimension. Ideally, the HR department will have to minimally satisfy all the criteria to be classified as a fully functioning HR unit. When all the conditions in one dimension are met, such criterion gets an index of 1 (the index value may range from 0-1). Higher the score on the index, greater is the attainment of the HR department in meeting the basic requirement of the HR functions. Data on this tool were collected from representatives shouldering HR/personnel/admin responsibilities in the unions. HR systems/functions checklist is presented in Annexure– 2.

3.3.3 HR Climate Survey

Whenever we model behavior in organizations we include employees' perceptions of their work environment, which is generally referred to as organizational climate[17]. There have been many debates over the measurement of organizational climate. However, it has been argued that organizational climate has multiple dimensions and there is a need to study more domain specific constructs such as safety climate[18], human resources development climate, etc.,. It is important to study such aspects as these refer to an individual's evaluation of the work environment which has consequences for organizational performance. HRD climate is an integral part and a smaller subset of organizational climate. Broader definitions of HRD climate are present in the literature; however for the purpose of this study we define HRD climate as a sub-climate of overall organizational climate which reflects the perception that the employees have of the HRD environment of the organization[19]. Organizational HRD climate tool is a 27 item tool[20] covering ten dimensions of Human Resources Climate, namely; participation, succession planning, human resource information, organization development, training, appraisal, counseling, and career planning, reward and welfare and job enrichment. The HR climate questionnaires are presented in Annexure 3.

3.3.4 Focus Group Discussions/ Liberating structures

The team developed a protocol for the Focus Group Discussions (FGDs)/ Liberating Structures (LSs). Qualitative data were collected through focused group discussions and liberating structures to understand the views of the participants on current as well as desirable practices pertaining to human resource management and development functions. During the FGDs, the groups were encouraged to discuss all aspects of their organizational life including how they relate to the organization. The protocol is attached (Annexure - 4).

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[17]Patterson, M. G., West, M. A., Shackleton, V. J., Dawson, J. F., Lawthom, R., Maitlis, S., & Wallace, A. M. (2005). Validating the organizational climate measure: Links to managerial practices, productivity and innovation. Journal of organizational behavior, 26(4), 379-408.

[18]Neal, A., Griffin, M. A., & Hart, P. M. (2000). The impact of organizational climate on safety climate and individual behavior. Safety science, 34(1-3), 99-109.

19Rao, T. V., & Abraham, E. (1986). HRD climate in organizations. Readings in human resource development, 36-45.

[20]Daftuar, C.N. (1996), "HRD Climate Questionnaire", In Sarupria, D.S., Rao, TV. and Sethumadavan P., Measuring Organisational Climate, Academy of HRD.

3.3.5 HRM practices

The CEOs, General Managers and heads of the departments, by virtue of the positions that they occupy, are likely to have strategic perspective of the EIA. A combination of structured questions and semi-structured interviews will help in assimilating their viewpoint on the human resource management and development functions and issues in their organization. The measure is presented in Annexure – 5.

3.4 Procedure

All the organizations were contacted by IRMA with the support from National Dairy Development Board. Then the team members visited each of the Cooperative Milk Unions. During such visits, the team had in depth interviews with the Managing Directors/ Chief Executive Officers, All the head of the departments, a cross-section of employees from various levels. The study team carried out Focus group discussions with different groups. Apart from collecting data from the organization interviewing the individual employees, the study team also met the Chairpersons of the Governing Board and few other members wherever the Board was functioning. All interviews were conducted on one-to-one basis except for the focus group discussions.

3.5 Measures to reduce Researcher bias

As researcher bias is possible in the preparation of survey questionnaire and other instruments, all reasonable measures were taken to reduce the likelihood of skewed survey responses due to survey design. The study team sought inputs from HR department and other regional offices of NDDB to review survey questionnaire. Inputs on the survey questionnaires were also gathered from other study teams having past experience of conducting research on the milk unions. Experience of variety of stakeholders with a mix of standardized tools helped in proper framing of the survey and interview questions for the purpose of this study.

RESULTS

Chapter 4 - Results

4.1 Diversity of Organizations Sampled

The eighteen organizations studied had wide divergence on various parameters pertaining to region, size of operations, etc. In terms of size of operations, the number of farmer members ranged from 17,000 to 6,07,907 with an average of about 1,4,08,838. Number of dairy societies under each milk union also differed substantially. It ranged from 169 Dairy Cooperative Societies (DCSs) to 5,773 DCS, with an average size of about 1297 DCS. The average daily procurement of milk for the preceding financial year (2017-18) was over 5 lakh liters with a minimum of slightly over eleven thousand liters to a maximum of about forty-three lakh liters. Similarly, the annual turnover of these organizations ranged from Rs. 25.89 Cr. to Rs. 8,793.16 Cr. The annual payment to farmers ranged from Rs. 12.82 Cr. to Rs. 6,409.75 Cr. with an average of about Rs.800 Cr. These organizations also differed greatly in terms of its employee size. Regular employees ranged from a minimum of 43 to 2,871 with an average regular employee size of about 469. Similarly, average employee through short-term contract employment or supplied through labour contractor ranged from 6 at the minimum to 862 at the maximum with an average of 266 employees. The average employee related expenditure of unions was about Rs. 22.25 Cr. and the average labour contractor bill was about Rs. 4.77 Cr. The results are presented in Table 4.1.

Table 4.1 The Minimum, Maximum and Mean of all CMUs on organizational variables

Variables	Minimum	Maximum	Mean
Organization age	5	71	40.47
MD tenure	0	25	7.46
Total paid up equity capital (Rs) (lacs)	63.58	12749.6	1891.04
Total installed capacity (lakh ltrs/day)	0.5	55	9.04
Number of plant sites under the union	1	5	2.35
Number of chilling centers	1	21	5.24
Total farmer members 2017-18 ('000)	17.81	607.91	140.88
Total no of dairy societies 2017-2018	169	5773	1297.88
Average daily procurement (ltrs) 2017-18 ('000)	15.36	4350.64	566.85
Annual turnover (Rs.) (cr) 2017-18	25.89	8793.1	1042.75
Profit/loss (Rs.) (in lacs) 2017-18	2496.25	2398.16	222.76
Total payment made to farmers (Rs.) (cr) 2017-18	12.82	6409.74	753.56

*Note: All data pertains to FY 2017-18

4.2 Short-term Vs. long-term employment on regular positions

Employment in the organizations can be broadly classified as Short-term employment or long-term employment or regular employees. Within the short-term employees' category, we have employees who are given a short-term contract for a period of less than a year (usually 11 months) and people employed through the labour contractor under the Contract Labour Act. Here, we refer to the category of employees on short-term contract and employed through labour contractor as Short-term Employees and employees employed on a long-duration contract (more than 3 years) or on permanent positions are referred to as Regular Employees.

In terms of type of employees, the organizations varied widely. Regular employees ranged from 43 to 2,871 with an average regular employee size of about 444.47. However, each of these organizations also employed a large number of employees through labour contractors. It

is understood that manual labour and seasonal staff are often employed through the labour contractor, but it was found that many positions of responsibility and criticality like quality control, shift supervisors, etc., were also contracted out through labour contractors. The jobs are not only permanent in nature but also critical to the smooth functioning of the organization. On an average, about 14 staff in the supervisory category and above were employed through labour contractors which formed about 12.4% of all supervisory staff. Such dependence of the organizations, even for critical functions, on casual employees is alarming. Overall, the dependency ratio on employees through labour contractor is about 0.6 (see Table 4.2).

Table 4.2 Descriptive data of employee related variables

Variables	Minimum	Maximum	Mean
Regular employees on Rolls	43	2871	444.47
Employees on Contract	6	862	266.68
Supervisory Staff	3	702	114.81
Officers/Managers	5	762	98.29
Clerical Staff	3	583	86.5
Supervisory staff on Contract	1	64	15.3
Officers/managers on Contract	1	42	10
Employee related expenditure (in lacs)	135.39	9954.43	1947.83
Performance linked incentive (in lacs)	17	101.61	41.55
Contractor Bill (for labor) (in lacs)	2.52	1962	448.63

We estimate that on an average about 49% of all the employees in the cooperative dairy unions are employed through contract labour. The workers employed through contract labour are transient employees. We do not have data on employees who are on short-term contracts (less than one year). If we consider the workers employed through labour contractors then the dependency ratio is almost 0.5, which is much higher than the critical ratio of regular employees needed for smooth functioning of an organization. This is because dependency on contract labour leads to several functional problems in the organization. However, it should be noted that the data for casual workers or workers employed through contract labour is not always readily available with the Union. Therefore, it is extremely difficult to arrive at the exact number of labours/employees utilized to attain the organizational goals. The records for permanent employees were available and our calculations are based on limited sample for which data for all types of employees were available. Our estimate of the short-term employees is based on the available data on workers employed through labour contractor only. Based on our discussions with different groups of employees, we presume that the actual incidence of having short—term employees may be larger than what we have estimated. Figure 4.1 presents percentage of workers hired through labour contractors over total workforce. As we see from the figure for some organizations the dependency ratio is more than 70 %.
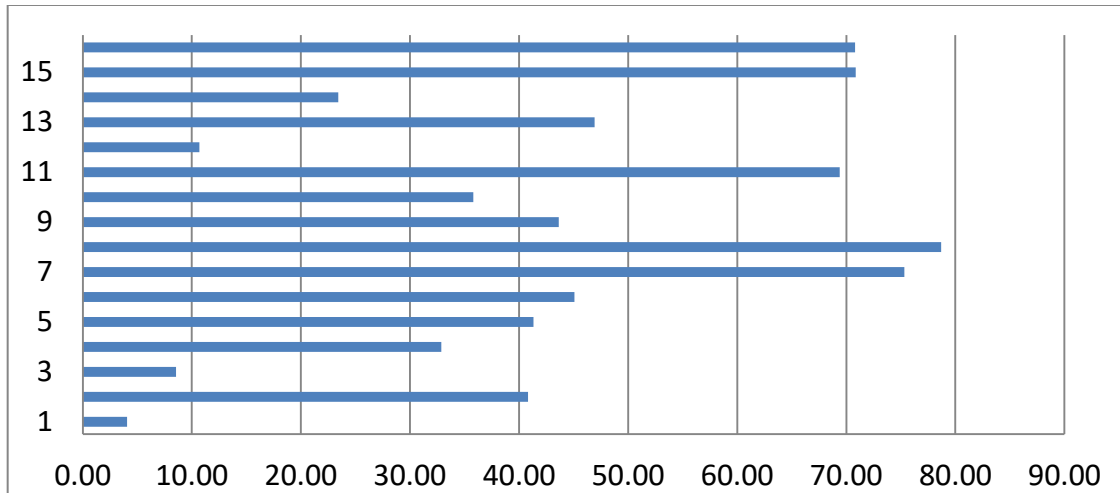
Figure 4.1 Percentage of employees hired from labour contractor

4.3 Issues emerging because of transient employees in CMUs

During our discussion with various sections of employees, the following issues emerged as consequences of having such large numbers of transient employees in the organization. The negative consequences have been outweighing the positive consequences of having transient employees although the labour cost is reduced in the dairies because of transient employees.

1. No skill development: People employed through labour contractor are transient. They are rotated from one job to the other and often from one organization to the other. Consequently, they never get enough opportunity to sharpen their skills. The organization is not ready to invest in transient employees' skill development. Consequently, no training and a huge skill gap exists which cannot be bridged.

2. Lack of motivation: People employed through labour contractors are often treated as unskilled manual labours; hence, they feel neglected and do not have the necessary motivation to display extra-role behaviour that is necessary for many critical functions. There is no commitment to organization as they know that they may have to leave the organization on a very short notice. They also constantly look out for jobs in other organizations and are not interested in displaying any extra-role behaviour, which is

necessary for the organization's growth.

3. Lack of long-term perspective: Because of the transient nature of their employment, the contract labour do not have a long-term perspective and limit their focus on that day's work. They often overlook the critical functions which are necessary for the organization. They do not have any incentive to perform because they do not a certain tomorrow in the organization.

4. Lack of adequate education and training: The technical and operational employees engaged through the labour contractors often lack the necessary level of education to perform their tasks effectively. They are available for low wages essentially because they do not have the necessary higher order skills. Thus, expecting the work of a skilled specialist from these employees is a misplaced expectation.

5. Lack of commitment to the organizational goals: Because of the transient nature of the employment the employees do not develop any commitment to the organizational goals and are always tuned for the day's work. These gives rise to several issues related to continuous improvement and quality management. The workers hired through the labour contractors are not given training on quality improvement and other issues of costs and waste controls. Thus, the organizations suffer from quality issues.

We also calculate the relative efficiency of organizations in terms of milk handling. However, while doing this we make two broad assumptions; (a) The total milk procured by the union is also processed by it, and (b) that the union is within the federated structure so marketing outside the area of operation is done by the state federation. The results are presented in Figure 4.2. It is observed that there is a wide variation across unions in terms of labour efficiency. The figures range from a high of 2000 liters per employee in one union to 120 liters per employee in another union. This is primarily due to very low milk collection and use of old technology.
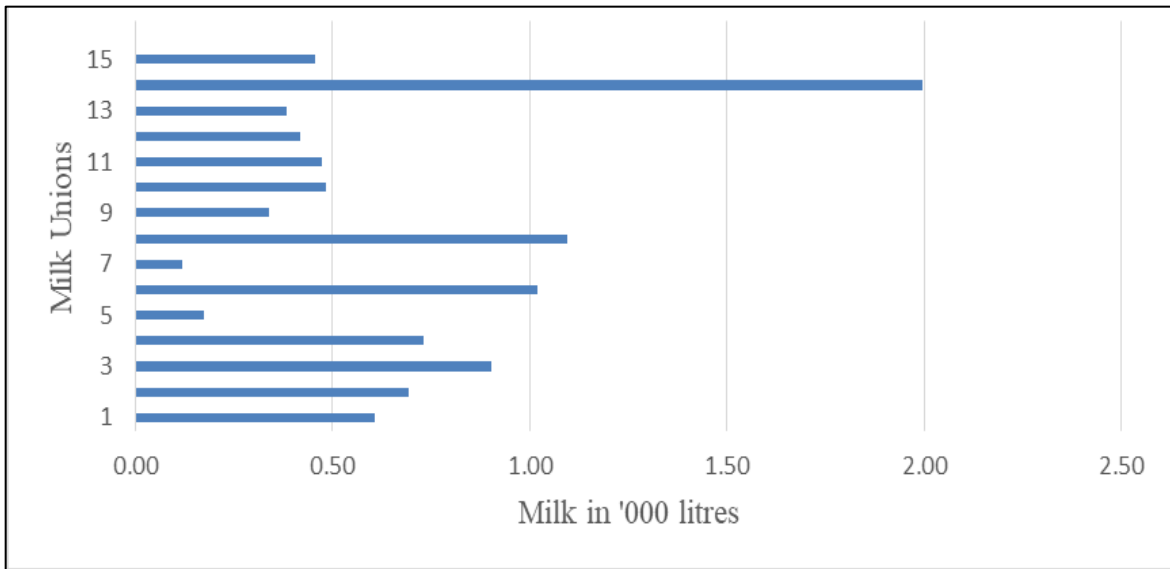
Figure 4.2 Milk ('000) handled per employee (including contract labour)

4.4 Growth in Procurement, Payment made to farmers, Permanent employee

We had included the growth figures over the preceding four year starting from 2014-15, to 2017-18. We took 2014-15 as the base year and calculated the growth/decline over the subsequent years in terms of procurement, payment made to farmers, permanent employee. For most organizations there was a positive growth in procurement and payment made to farmers but negative growth in regular employee. It means, with the increase in business, there has been a decrease in regular employees. Despite having substantial growth in terms of procurement, payment made to farmers and permanent employee in the last four financial years, has experienced a negative growth in regular employee of the organization. An examination of the figures reveals that barring three organizations, the rest have shown substantial growth in procurement. However, except for one where there has been a substantial depletion of Human resources. Organizations like Jaipur, Ernakulum, Hassan, and Jalandhar have been hit very hard because they have very high potential in terms of milk procurement and expansion. Many organizations are facing the brunt of reduced staff despite the excess flow of milk, largely due to the retirement of the first generation of staff. A closer look at the employee age revealed that most organizations will have a huge gap at the higher levels between 2020 and 2022. Most of the senior staff would, by then, retire from the

services of the unions and it seems that there is no proper plan to induct fresh professionals. The results are presented in Figure 4.3.
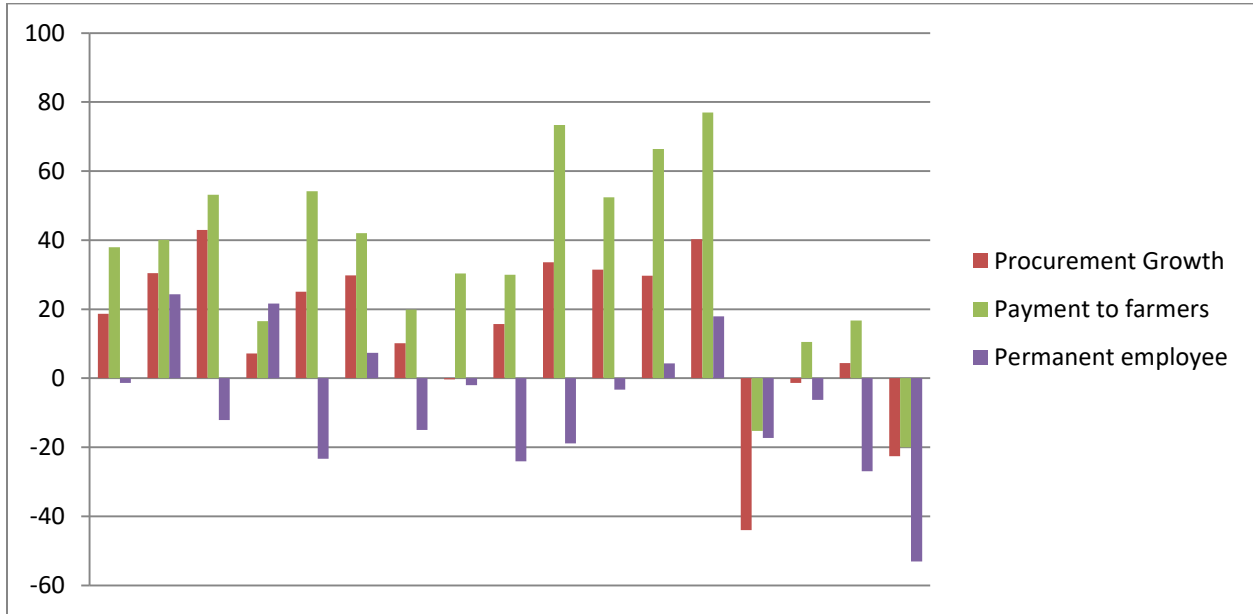
Figure 4.3 Growth in Procurement, Payment made to farmers, and Employee

(figures in %)

The lack of Human Resources Planning was evident from the way the staff depletion has been dealt with. The requirements for human resources have not even been ascertained in most cases commensurate with the growth in business. The growth in milk procurement, average annual turnover, employee size is presented in Figure 4.4. The figure suggests steady growth in terms of milk procurement as well as turnover of the Unions. However, there has been decline in profit and the total employees (including contract labour has increased). With the increase in workload, the unions have found their own ingenious ways of maintaining the staff strength through the employment of workers through contract labour. We have already discussed the problems associated with the engagement of contract labour in such a large number.

Liquid milk procurement of 18 unions across 4 years

Figure 3.1 A: Average Daily Procurement(Kilo Litres) from 2014 to 2018

Average annual turnover (Rs.) (Lakhs) from 2014-18

No. of employees (2014-18)

Average Profit (in lakhs) from 2014 to 2018
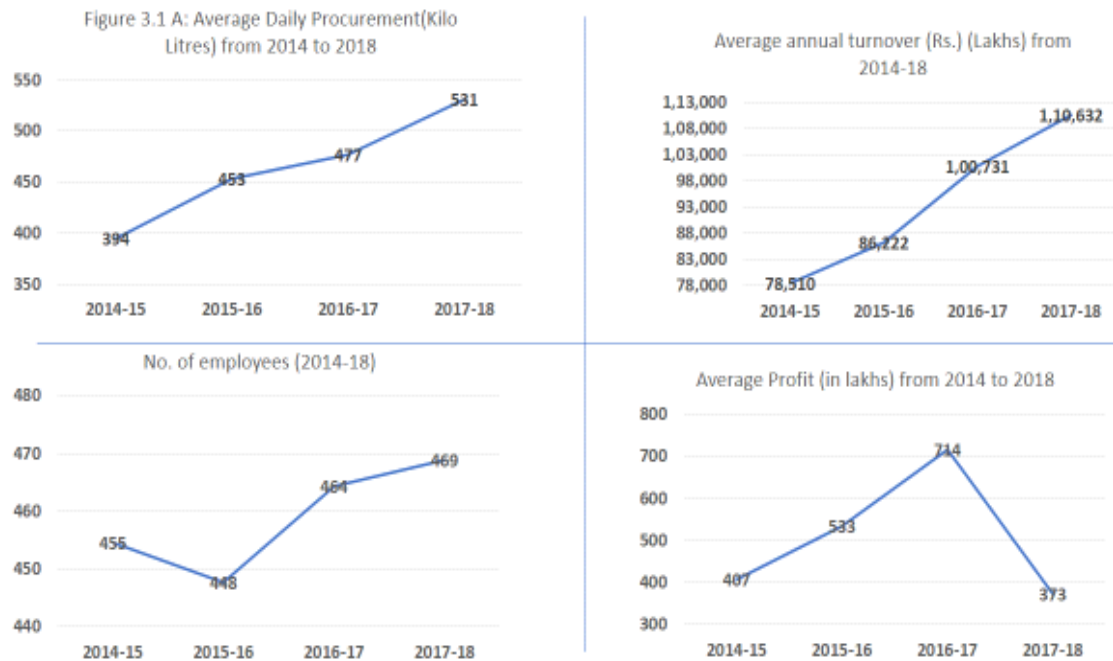
Figure 4.4 Average per day Liquid milk procurement over preceding four financial years

4.5 Comparison of organizational level variables across regions

The sampled organizations from southern region were relatively younger with an average age of 25.40 years, and the organizations from the western region were comparatively older than the other regions at an average age of 49 years. The paid-up equity capital of organizations from the Eastern region was the lowest with an average of Rs. 2 Cr., whereas; the western region had the highest average paid up capital of about Rs. 30.89 Cr. Similarly, the average installed capacity in western region was about 20 lakh liters compared to 2.16 and 2.17 lakh liters for the northern and eastern region respectively. The average size of farmer members per union was about ninety-eight thousand in eastern India whereas it was one lakh eighty-seven thousand in western India. As far as employee related variables were concerned we found that the ratio of regular employee on rolls and contract employees on rolls varied extensively across regions. For example, Northern region had the highest proportion of about 62 % of its total employees on short term employment, southern region had about 44%, followed by the western region

(27.3%), and the eastern region had the lowest number of Short-term employees (19.13%). Results of the analysis of organizational level variables and employee related variables across the four regions is presented in Table 4.3 and 4.4 respectively.

Table 4.3 Mean of organizational variables across the four regions

Variables	North	South	East	West
Total paid up equity capital (Rs.,Cr)	12.94	18.25	2.00	30.89
Total installed capacity (lakh ltrs/day)	2.16	3.65	2.17	20.41
Daily procurement (lakh liters)	4.40	3.34	2.01	10.06
Annual turnover (2017-18; Rs., Cr.)	667.41	643.26	271.99	1948.73
Profit/loss (Rs., Cr)	1.15	3.14	2.00	2.11
Total payment made to farmers (Rs.,Cr)	564.81	380.20	215.6	1428.05
Total farmer members ('000)	71	147	104	187

Table 4.4 Mean of employee related variables across the four regions

Variables	North	South	East	West
Employee on Rolls	186 (118)	330 (190)	134 (91)	823 (1151)
Employee on Contract	347 (419)	302.8 (235)	33 (10)	312 (298)
Supervisory Staff	51 (55)	118 (181)	25 (19)	188 (285)
Officers/Managers	18 (21)	63 (31)	16 (7)	208 (321)
Skilled Employees	51 (27)	77 (36)	84 (21)	183 (300)
Unskilled Employees	66 (102)	69 (51)	136 (26)	266 (293)
Clerical Staff	13 (13)	57 (24)	28 (27)	176 (241)
Supervisory staff on Contract	14 (10)	13 (3)	4 (4)	22 (22)
Officers/Managers on Contract	16 (22)	14 (11)	7 (3)	5 (4)
Employee related expenditure (inclusive of incentives, etc.)	1837.71 (1318.7)	1868.21 (1085.68)	778.38 (493.97)	2653.98 (3629.46)
Performance linked incentive paid to employees	37.5 (7.02)	48.89 (31.15)	33.37 (14.17)	41.55 (-)
Contractor Bill (for Labor) (in lakhs)	778.6 (1034.98)	501.83 (324.55)	228.46 (371.31)	349.39 (147.28)

4.6 Performance related measures for Unions

Given the diversity of location and size and nature of the cooperative organization it is difficult to compare these organizations using the usual measures of investor owned firms (IOFs). One of the major objectives of dairy cooperatives is to channel maximum percentage of the consumers' money to the farmers. Therefore, profit figures would not be appropriate for comparison of performance. There can be many parameters of performance. However, the three parameters included here are based on the principles of cooperation. Increase in member farmer is an obvious example of how the cooperatives have been able to attract farmers into the organized structure, retain their cooperation and commitment. The second is increase in procurement as it shows the cooperatives' effectiveness in dealing with the farmers. The more effectively the cooperative acquires salience in the lives of the farmers, more the number of farmers are eager to do business with the cooperative. Increase in the payment made to the

farmers is also an act to retain the farmers' commitment to cooperative and indirectly may be used as surrogate to the internal efficiency of the organizations. Thus, we looked at the increase or growth, in percentage terms on three different indicators on a four year period from 2014-15 to 2017-2018; namely, increase in the number of farmer members, increase in procurement and increase in payment to farmers. Table 4.5 presents the Mean, SD and F Values of all the three parameters of performance.

Table 4.5 Means, SDs and F Values of the performance related indicators across categories

Category	Small		Medium		Large		Total		'F' Values
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	
Increase In Farmer Members (%)	8.20	10.19	7.11	10.63	8.52	6.70	7.97	9.08	1.130**
Increase In Procurement (%)	31.34	31.89	40.58	21.95	28.64	19.25	33.28	24.39	11.739**
Increase Payment Made To Farmers (%)	42.94	30.22	52.64	19.47	34.30	15.39	42.56	22.68	33.217**

Note: ** p < .05

The figures tell us that there is an increase in farmers' membership in cooperatives. However, with even a marginal increase of 7.97% in membership the average increase in procurement has been a whopping 33.28% and the gross payment made to farmers has risen by 42.56 % over a four-year period. However, we observed some differences across the categories. Using one-way analysis of variance we tried to determine the statistical significance of the difference of mean scores across categories. The results suggested that increase in membership of farmers was significantly more in large as well as small organizations compared to medium sized organizations. However, procurement and payments were significantly higher in the medium sized organizations than in the large or small organizations.   These differences may be attributed to the bases of comparison. The organizations that were categorized as Medium sized based on 2017-18 data, were much smaller in 2013-14 and had benefitted from the NDP-I intervention to become medium sized organization in 2017-18. Large organizations had much bigger base level and, thus, marginal increase would not make the differences significant.

We also compared the growth figures across the four regions. There was a significant difference across regions on the growth parameters. Southern region presents the highest growth in increase in farmer members, increase in procurement, and payments made to farmers. There is no significant difference in growth rate on procurement between southern region and western region. The eastern region shows a negative trend in procurement and marginal growth in payment to farmers and increase in number of farmers. The comparative picture is presented in Table 4.6.

Table 4.6 Means, SDs and F Values of the performance related indicators across Regions

Region	North		South		East		West		F Values
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	
Increase in Farmer Members	0.99	11.85	11.02	7.23	14.99	5.76	5.70	7.65	46.677**
Increase in Procurement	28.70	22.35	42.93	17.75	-3.23	12.08	39.99	20.45	106.406**
Payment made to Farmers	43.71	30.26	57.47	18.37	8.35	10.19	42.85	10.13	131.868**

Note: p < .01

4.7 Human Resources Management: Does it exist in the unions?

We found that in most organizations Human resources department does not exist. Data shows that out of the 18 organizations, only 5 had Human Resource departments (Figure 4.5). Different organizations use different nomenclatures while referring to employee related departments, the most frequently occurring nomenclature was Administration followed by Personnel and Administration (Figure 4.6).   For example, only in six organizations HR department existed and in other organizations administration or personnel department existed. In most cases, the person heading the personnel/HR function belonged to a lower level of hierarchy. For example, in 13 organizations the HR /admin/personnel department was headed by officers of deputy manager rank or below. However, most of the HR department heads did not have any HR

related qualifications. They had either joined the organization as administrative assistants or were taken from some other functional area like procurement or accounts and given the charge of HR/personnel/administration department. From all the organizations surveyed only two organizations had qualified HR professionals looking at the HR functions. However, they were all at the entry level positions.
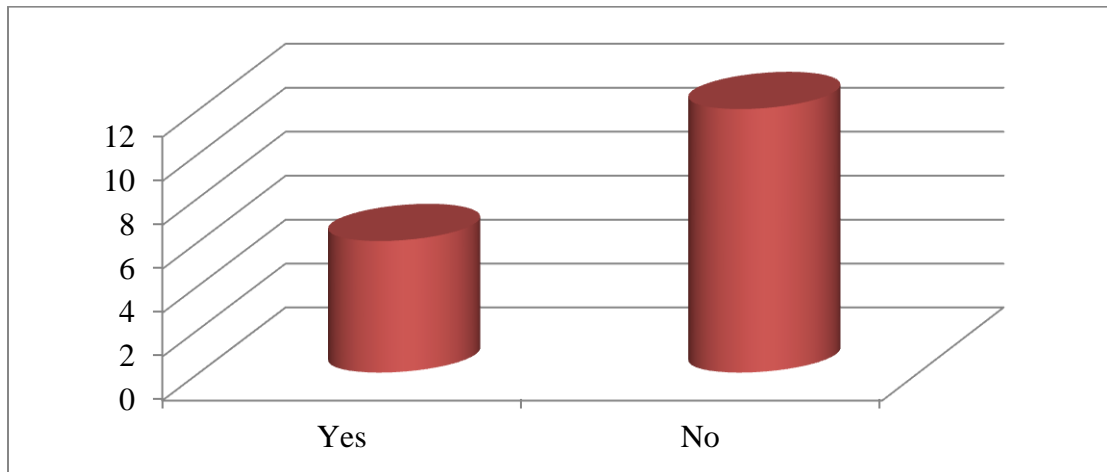
Figure 4.5 Does HR Department Exist?

HR department's role gets defined by the major activities undertaken and position of the departmental head within the hierarchy; this is also a signaling for the organization in terms of its importance. Secondly, lack of HR professionals within the administration and personnel department leads to inefficiencies in terms of HR planning, recruitment and selection, development and training, etc. In many cases we found that managers from procurement and inputs or accounts were in-charge of the department. However, in many cases assistant/clerical grade employees were heading the department.

Figure 4.6 Nomenclature used for Employee related department

Our results suggest that persons formally heading the employee related department, their designations ranged from Senior General Manager (In-charge) to Assistant grade. The most commonly occurring designation was Assistant manager (Fig. 4.6).

4.8 Dimensions of Human Resources functions

The study team tried to understand the different Human Resources Functions undertaken by the HR/Personnel Department. The functions of Human Resources Department are the necessary functions which need to be performed for effective management of an organization. There have been various models that have been proposed to explain organization growth and development. These models explain how organizational needs to change over time to match the demands of the external environment and its expectations from the Human Resources management change over the course of its existence. Certain HR functions which are important at the time of inception become routinized over a period of time and newer functions get added as the demand to keep up with the changes in the external environment grows. It has been

argued, that in many cases, organizations' HR function follows a stage model[21]. In the stage I the management's attention is focused on a limited range of basic human resources functions such as Record keeping, recruitment, compensation, and meeting statutory requirements. The stage II is characterized by recruiting and training the right people, compensation and benefits management. Stage III focuses more on induction of more professional management, use of analytical tools and integrating Human Resources Information system with Information Communication and Technology (ICT), Career progression, mentoring Coaching, etc. Based on the stage approach of HR function, we conceptualize a hierarchy of the HR functions, which starts with the record keeping at the bottom and post superannuation care in terms of separation exercises at the top. The Hierarchical frame is presented in the Figure 4.7.
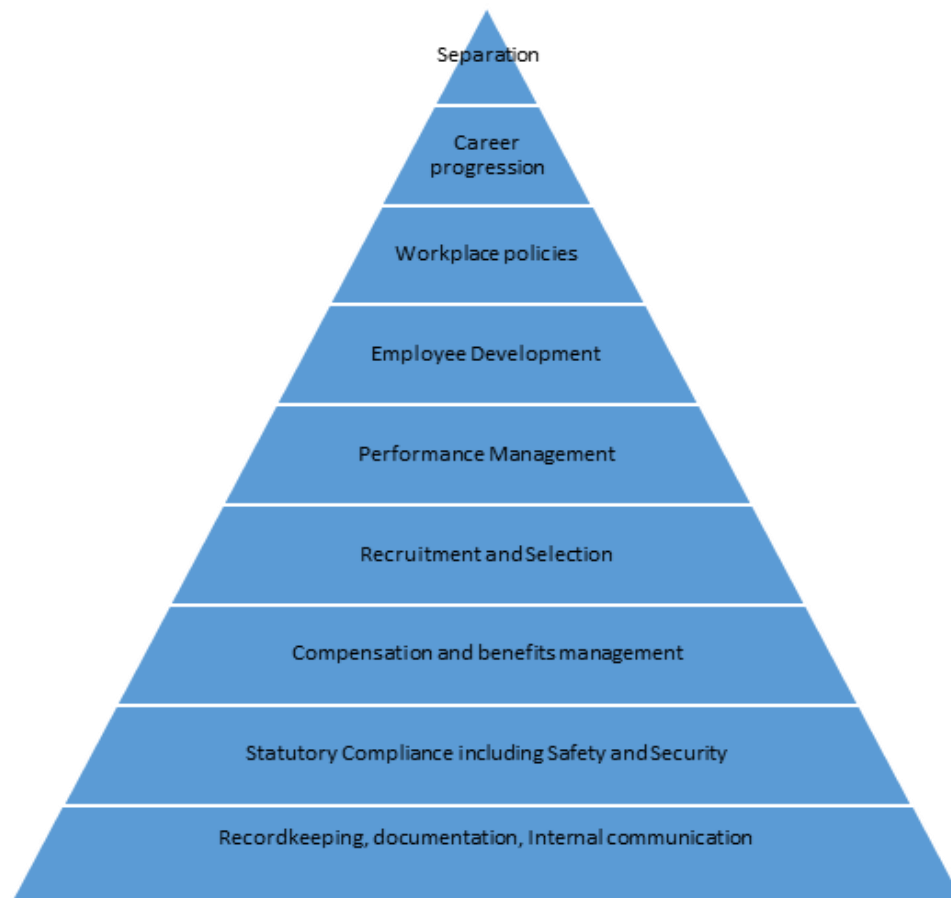
Figure 4.7 Hierarchy of HR functions in the organization

An assessment of the HR functions is usually undertaken through an HR audit exercise.

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[21] Baird, L., & Meshoulam, I. (1988). Managing two fits of strategic human resource management. Academy of Management review, 13(1), 116-128.

The research team, based on extensive review of literature on HR audit[22] prepared a seventy-item HR audit instrument consisting of eleven dimensions fitted into nine steps of basic necessary functions of HR department as outlined in the Figure 4.7.

An index of HR functions attainment is created for each dimension. Ideally, the HR departments will have to minimally satisfy all the criteria to be classified as a fully functioning HR unit. When all the conditions in one dimension are met that criterion gets an index of 1 (the index value may range from 0 to 1). It seems from the data that most organizations are focusing on Safety and Security (97.5%) followed by Recordkeeping and documentation (81.31%), Statutory Compliances (81.25%), etc. The least attended functions are Training and Development (66.67%), Employee separation (60%), Career Progression (51.67%), Performance Management (43.27%), and Compensation Management (43.06%). Compensation management turned out to be the HR function not attended to by most organization. This maybe because most unions are following government regulations in terms of pay and perks and the salaries are fixed along with the pay commission recommendations as adopted by different state governments.

We also calculated scores on the HR basic functions across categories of organizations (Table 4.7). The result suggests that there was not major difference across categories in terms of Record keeping, Safety and security, Recruitment & selection and Workplace policies. Incidentally, all these four dimensions had an index score of 0.70 and above. The index score on Performance management were consistently low (< .50) across three categories – with small organizations having index value of 0.46, the medium category of organizations had 0.33 and large organizations had an index score of 0.44. Training and development showed a wide variation. Large organizations had relatively higher score of 0.71 compared to 0.62 of medium organizations and 0.48 for small organizations.

Similarly, in terms of benefits perquisites large organization had an index score of 0.80,

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[22] Rao, T. V. (2014). HRD audit: Evaluating the human resource function for business improvement. SAGE Publications India. Florkowski, G. W., & Schuler, R. S. (1994). Auditing human resource management in the global environment. International Journal of Human Resource Management, 5(4), 827-851.Shiri, S. (2012). Strategic Role of HR Audit in Organizational Effectiveness. Journal of Management & Public Policy, 3(2), 39-45.

medium organizations had 0.74 and small organizations had 0.61. Career progression also exhibited large variation; large organizations had index score of 0.54 with medium and small organization having 0.37. Thus, the results seem to suggest performance management, training and development, compensation management, and career progression are the most neglected domains of Human Resource Management in the organizations. Most organizations are engaged in basic statutory functions of Human Resources Management and has not engaged The organizations were also falling short of the ideal level of statutory and other compliances where the scores ranged from 0.87(large organizations) to 0.68(small organizations). Table 4.7 and Table 4.8 presents the basic function index across categories and regions respectively.

Table 4.7 Human Resources Basic function index across categories

Dimensions	SMALL	MEDIUM	LARGE
Recordkeeping, documentation, Internal communication	0.81	0.79	0.83
Safety and Security	0.92	0.98	1
Workplace policies	0.71	0.84	0.76
Recruitment and Selection	0.71	0.74	0.86
Performance Management	0.46	0.33	0.44
Training and Development	0.48	0.62	0.71
Benefits	0.61	0.74	0.80
Compensation	0.43	0.34	0.51
Career progression	0.37	0.37	0.54
Compliance	0.68	0.83	0.87
Employee Separation	0.62	0.51	0.66

Table 4.8 Human Resources basic function index across regions

Dimensions	NORTH	SOUTH	EAST	WEST
Recordkeeping…	0.8	0.85	0.77	0.79
Safety and Security	0.95	0.95	1	1
Workplace policies	0.78	0.77	0.76	0.79
Recruitment and Selection	0.62	0.81	0.82	0.78
Performance Management	0.41	0.33	0.47	0.45
Training and Development	0.41	0.80	0.74	0.42
Benefits	0.58	0.82	0.66	0.72
Compensation	0.37	0.45	0.44	0.41
Career progression	0.37	0.5	0.59	0.44
Compliances	0.87	0.83	0.45	0.8
Employee Separation	0.5	0.58	0.53	0.7
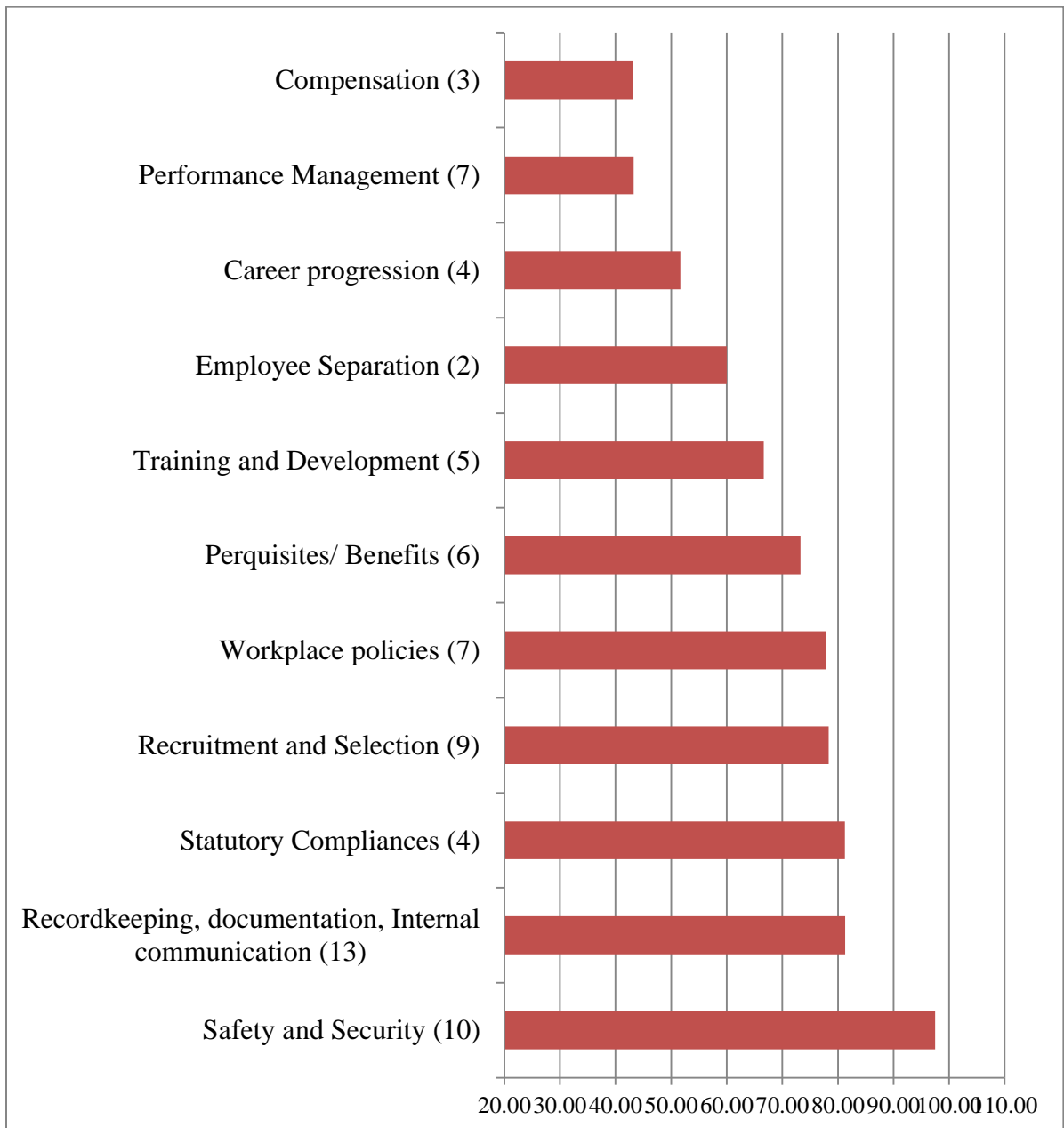
Figure 4.8 How Organizations addressed various HR Functions?

4.9 Human Resource Practices

In order to ascertain the strategic perspective of the EIAs on HR practices, the study team interacted with the CEOs, General Managers and heads of the departments/sections. A combination of structured questionnaire and semi-structured interview was used to interact with the respondents and assimilate their viewpoint on the human resource practices and issues in their organization.

4.9.1 Profile of the Respondents

The data was collected from a total of 90 respondents across 18 milk unions. In this section, we provide profile of the respondents for annexure 5. A total of 21 (23 per cent) respondents belonged to small milk unions, 33 (37 per cent) were from medium ones whereas 36 (40 per cent) were from large milk unions.
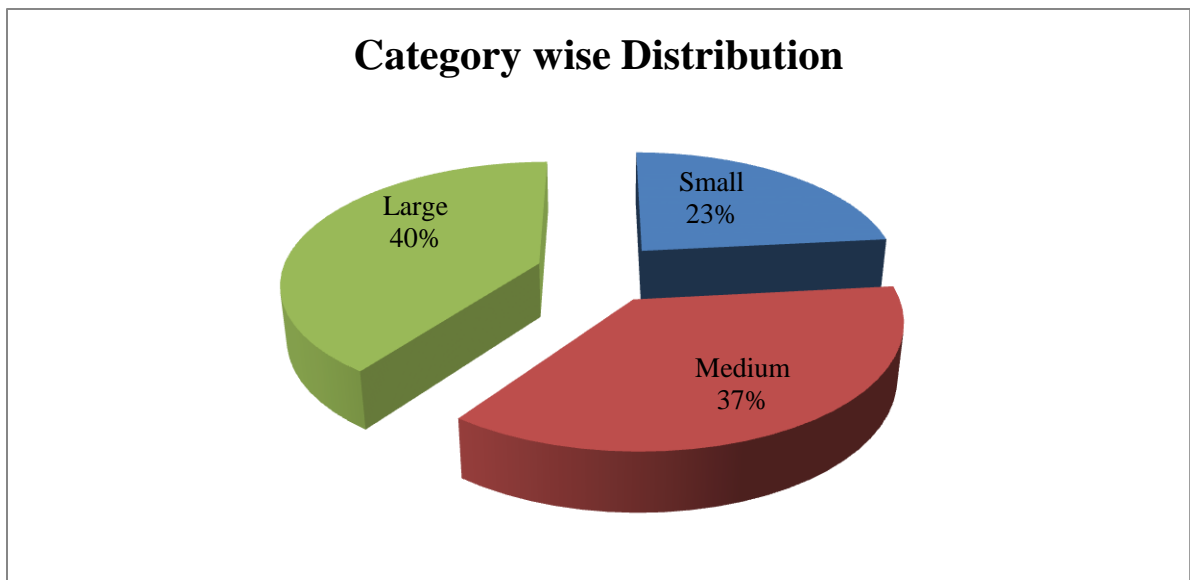
Figure 4.9 Category wise Distribution of respondents

4.9.2 Respondents' position in organizational hierarchy

As can be seen in the pie diagram given (Figure 4.10), 20% of the respondents were organization heads with designations such as Managing Director, General Manager and Chief Executive Officer whereas 72 per cent of the respondents were heads of department in their respective unions. A small proportion of respondents (eight per cent) were section heads.

Respondents in Organizational Hierarchy

■ MD/GM/CEO ■ HoD ■ Section head

8%

20%

72%
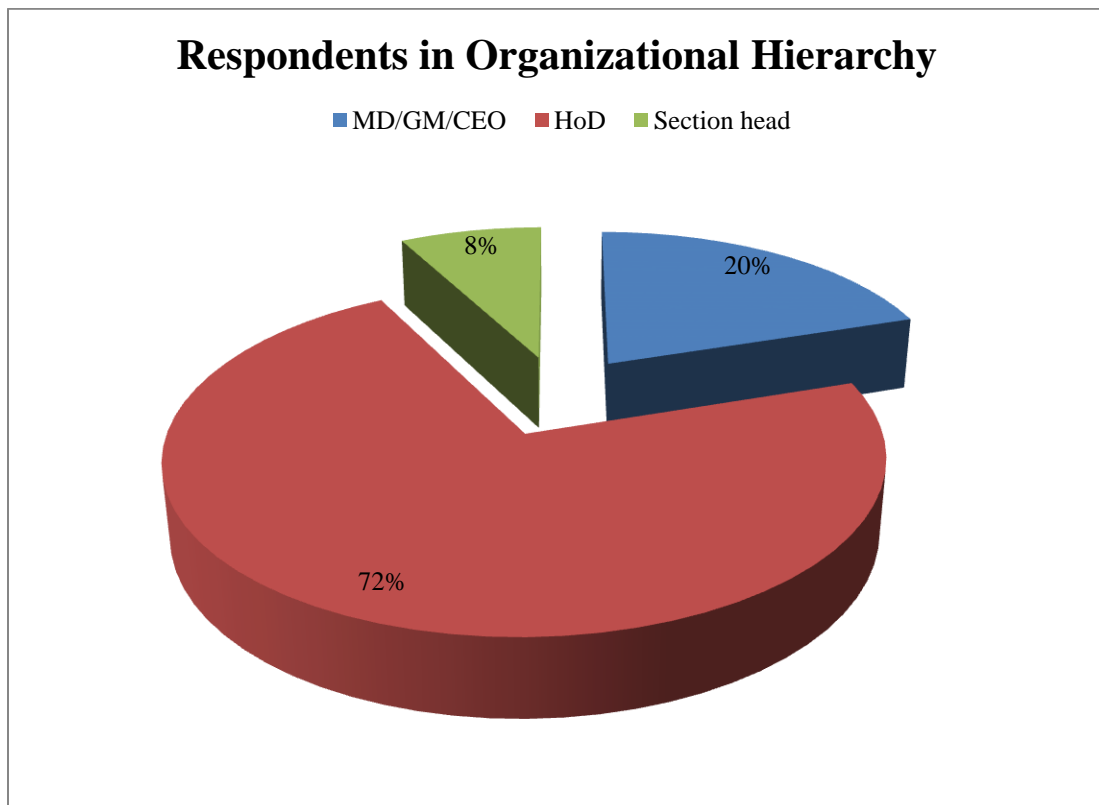
Figure 4.10 Respondents in Organizational Hierarchy
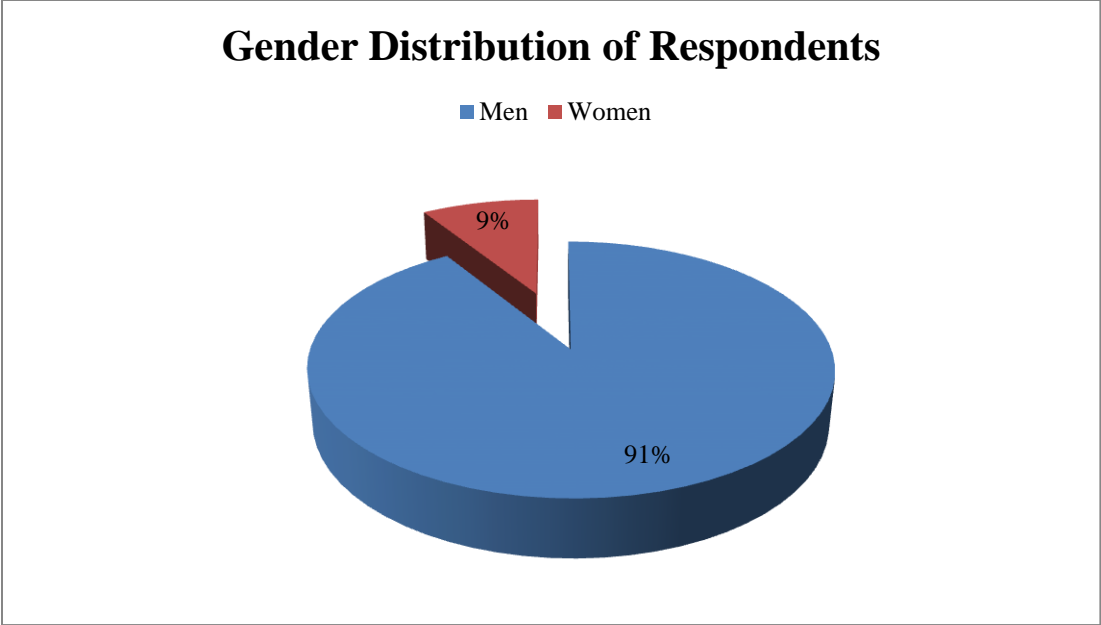
Figure 4.11 Gender Distribution of Respondents

As can be seen from the above pie chart, majority of the respondents (91 per cent) are men whereas a small percentage (nine) of the respondents were women.
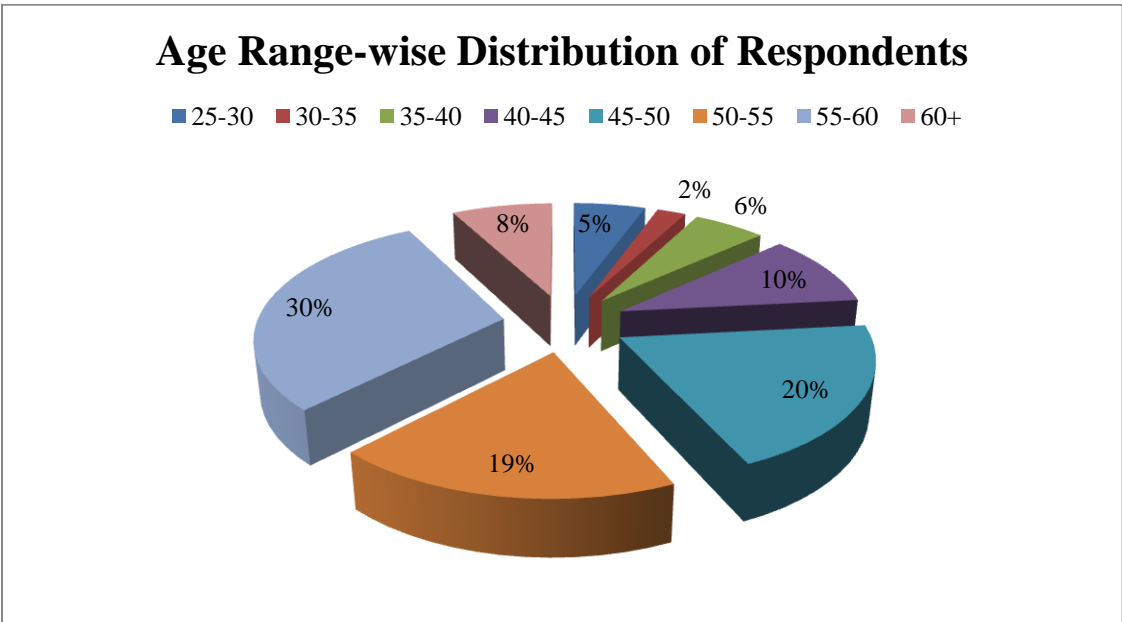
Figure 4.12 Age-wise distribution of respondents

Figure 4.12 indicates that more than half of the respondents (57 per cent) are in the age group of 50 years and above. Eight per cent of the respondents in the age group of above 60 years also indicate that the milk unions are experiencing a dearth of experienced managers to head the organization, department or section.

Business Goals and Competency Requirements

In order to obtain the respondents' views on their goals and the status of HR (employees as well as their competencies) and the role of HR (Administration) department in their organization, open-ended discussion anchored in the following three questions was carried out.

1. What are your short term and long terms business goals?
2. Overall, how competent are the human resources (all the employees) of the union currently and where would you like them to be five years down the line?
3. Is there a role of Human Resource department in achievement of these goals? If yes, what?

The responses were content analyzed using Atlas.Ti – a software for analysis of qualitative data. Codes and sub-codes were generated around the questions and contents of the responses received using the following rationale:

For question 1, contents that indicated consideration for long-term goals and broad perspective or an absence of the same was used to determine strategic perspective that is essential for leadership positions in the milk unions.

For question 2, the responses were coded on the basis of expressed need for additional human resources and need for training the existing employees. Need for training the existing employee for specific competency requirements – current and futuristic - were also identified from responses to the statements in annexure 5 that generated.

For question 3, discussion generated while the respondents responded to the statements on Annexure 5, the responses were coded to differentiate the issues pertaining to competence of

the HR department, the issues with the various HR systems in terms of existence, process followed, objectives achieved etc.

In this section, we present the analysis for question 1 and first category of responses for question 2 – expressed need for additional human resources in terms of expertise. Analysis of issues pertaining to the existence and working of various HR systems/function is presented along with the analysis of quantitative data on respective HR systems/functions.
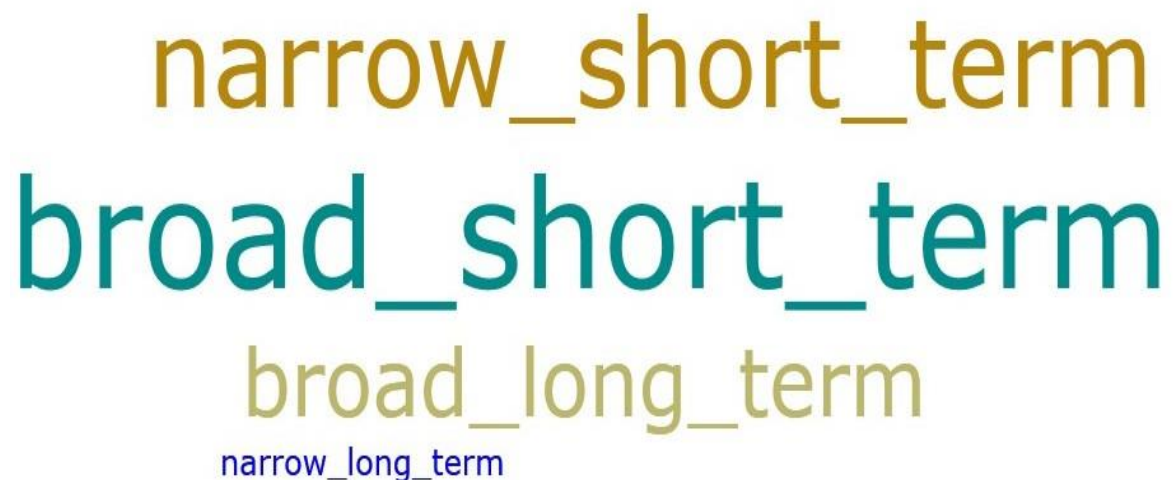
Figure 4.13 Strategic Perspective for the organization

As the word cloud above depicts the respondents mostly focused on short-term goals both broad and narrow. Lesser mention of long term goals whether for their own functions (narrow) or for the overall business of the dairy (broad) plausibly indicates inadequate presence of strategic perspective expressed by the respondents.

Figure 4.14 Human Resource needed

As the word-cloud above depicts, the professionals that the sample unions require include Marketing experts, veterinarians, dairy technologists, Veterinarians (with specialization in animal nutrition), lab-scientists/technicians, microbiologists and people with specialization in environment science. The Bigger the size, greater is the need of such professionals. Some large unions that are expanding processing capacities exponentially have also expressed need for project engineers. Other requirements include those of field supervisors, maintenance staff and attendants. Some respondents have also expressed need for head of the HR department.

4.10 Human Resources Department as Strategic Business Partner

As most of the sample EIAs do not have professional HR managers, most of the respondents expressed their concern about understanding of the HR team pertaining to business in situations where HR function is shouldered by administration department. In case of sample EIAs where the HR team comprises of professionals from other functions such as plant-operations, accounts or veterinary roles, they have good business and contextual understanding however, concern over their HR expertise was expressed.

A five-point scale as given below was used for obtaining respondents 'views on different aspects of HR practices

Completely Disagree	Disagree	Neither Agree Nor Disagree	Agree	Completely Agree
1	2	3	4	5
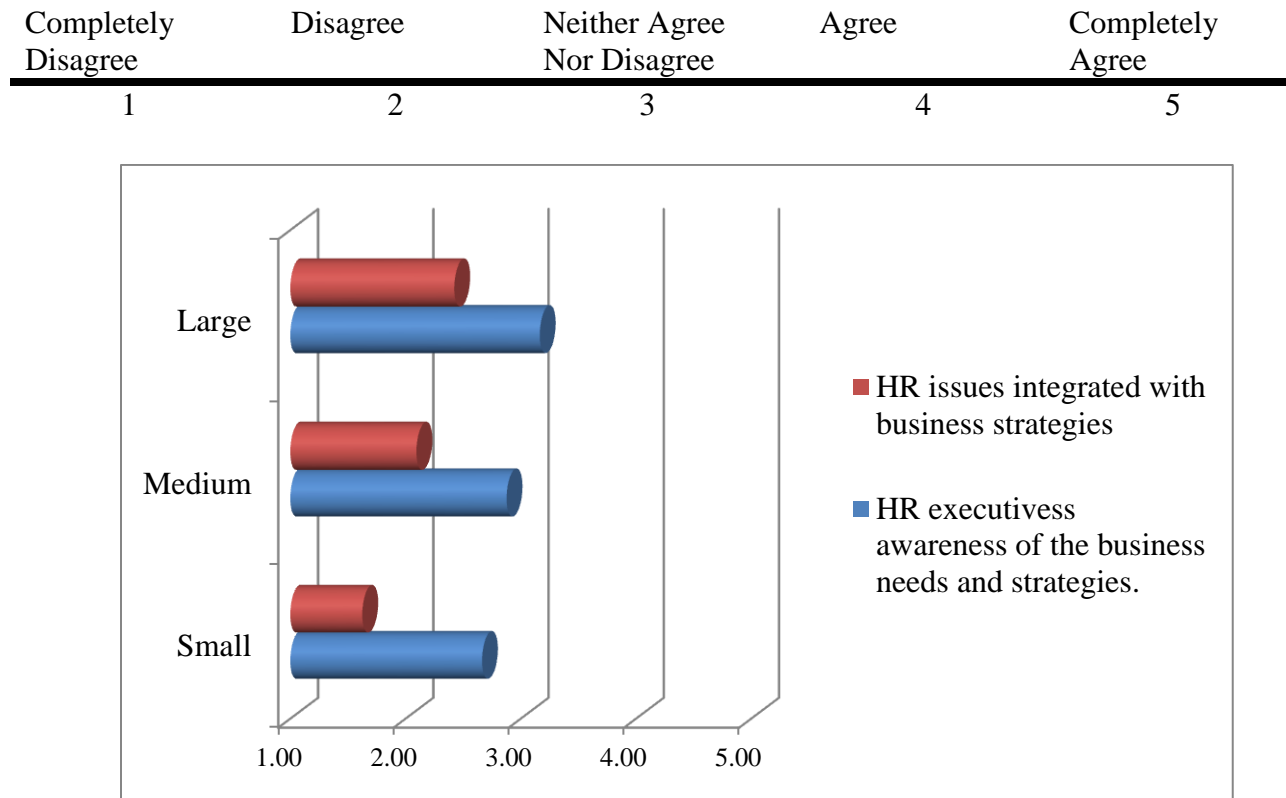
Figure 4.15 HR awareness and strategic integration across categories

As Figure 4.15 depicts the average of three or below on the above scale indicates that the respondents do not seem to be in agreement with the statement about their HR executives' awareness of business needs and strategies. The response for integration of HR issues with business strategies was close to disagreement or complete disagreement.
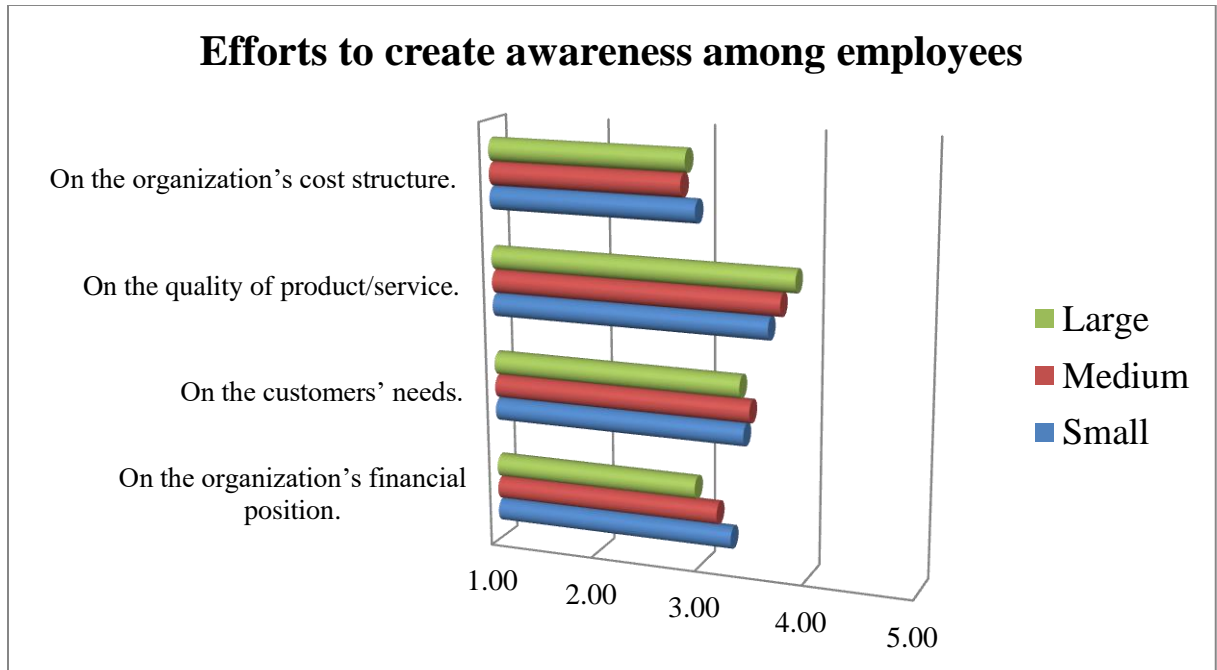
Figure 4.16 Awareness and initiatives among employees across category

EIAs that have implemented TQM related interventions seem to also have taken initiatives to raise employee awareness pertaining to financial position, customer needs and quality. However, awareness pertaining to cost structure of the organization among the employees was found wanting. Awareness regarding product/service received greater agreement from respondents.

4.11: HR Planning, Recruitment and Selection

While responding to the statements related to pre-recruitment processes, the mean score obtained indicate selection of neutral position by respondents by neither agreeing nor disagreeing to all the three statements. Mean scores which are around 3, indicate the choice "Neither agree nor disagree". This choice of neutral response plausibly indicates absence of such processes and also lack of willingness on part of the respondents to indicate the absence. No substantial variations on account of the size of the organization are evident in the data.
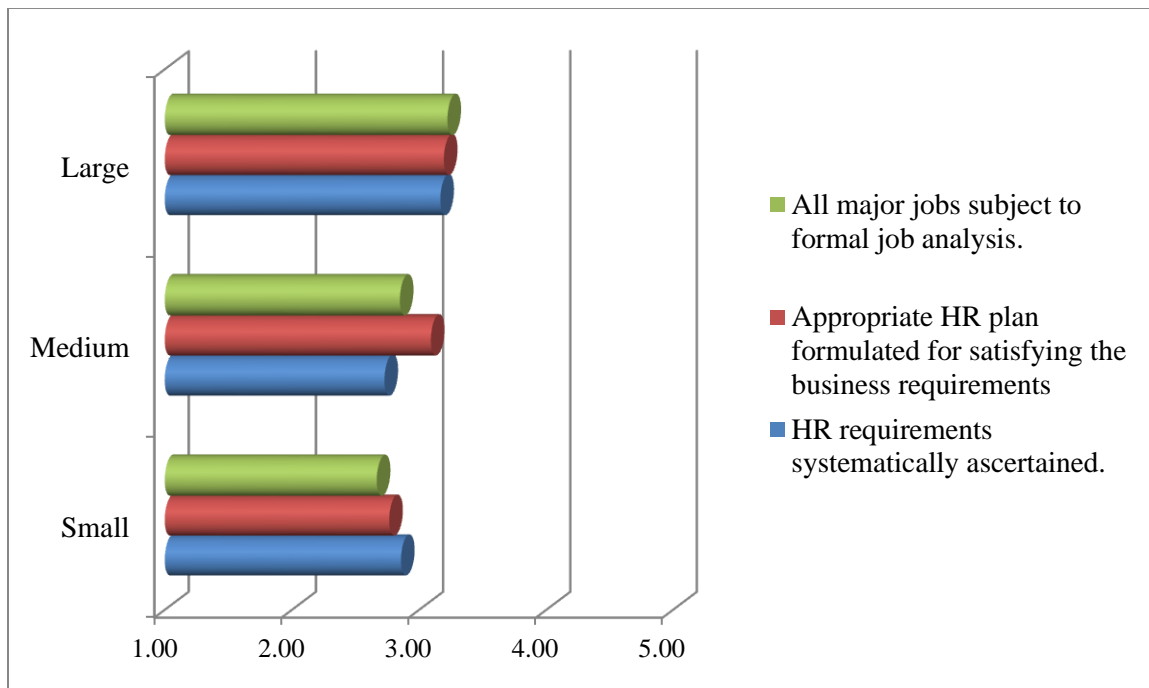
Figure 4.17 Human Resources planning

Qualitative data collected through Focus Group Discussion/Liberating Structure (FGD/LS) as well as interviews of Heads of Departments (HoDs) in the EIAs corroborates the quantitative findings presented in the above table. Respondents have not only indicated absence of such processes but many have also indicated a strong need for having such processes in place. In case of some of the sample unions, manpower planning is either carried out by the state federation or an external service provider. There seems to be a sense of dissatisfaction with these arrangements owing to apprehension regarding inadequacy in understanding of organizational context.

4.12: Recruitment, Selection and Induction

In this section we present the data pertaining to preferences of sample unions with regard to recruitment selection and induction processes, as perceived by the Heads of organizations/ departments/sections.

The scale given below was used for collecting responses on preferences with regard to recruitment, selection and induction processes in the sample unions.

Not preferred at all	Rarely Preferred	Somewhat preferred	Preferred	Most Preferred
1	2	3	4	5
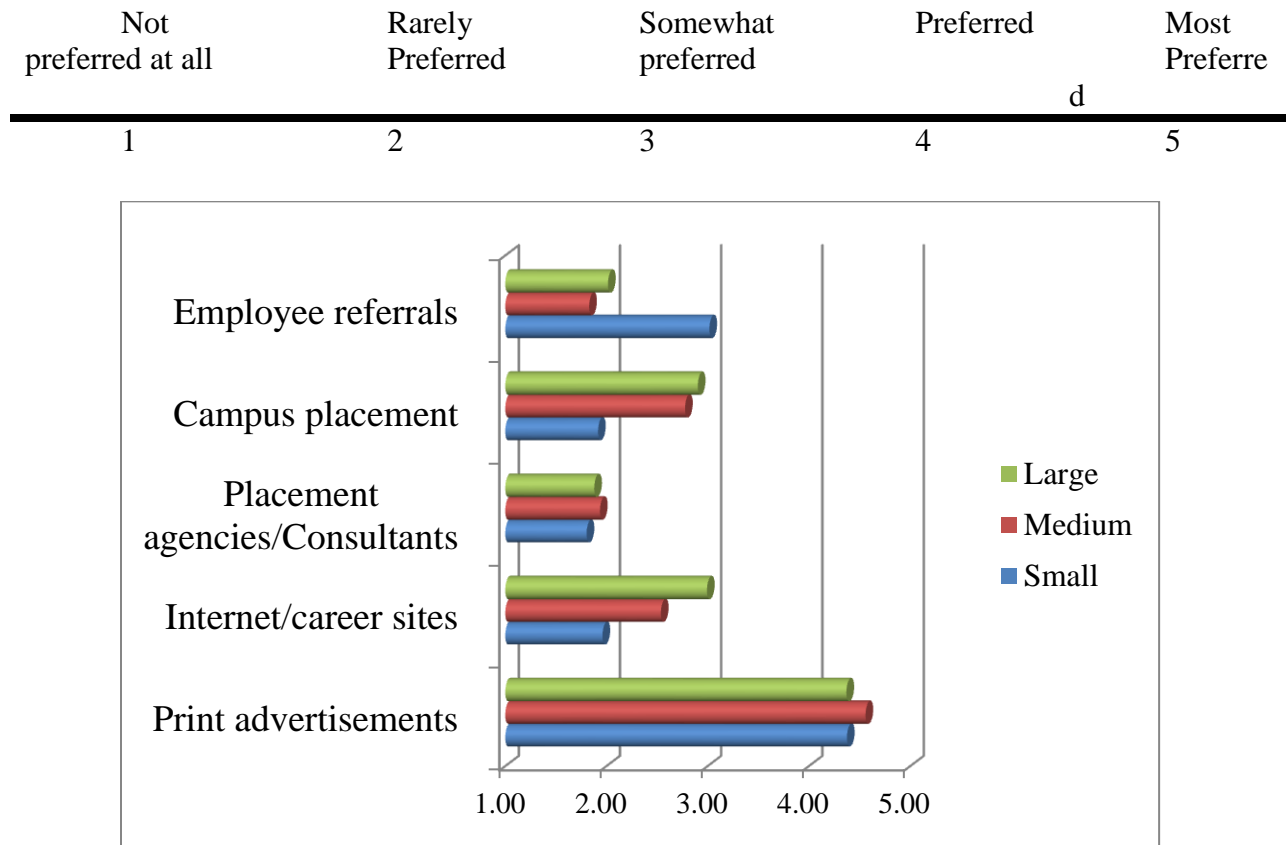
Figure 4.18 Preferred Recruitment Sources among sampled milk union categories

Irrespective of the size of the union, an average score of over 4 indicates print advertisements as the most preferred source of recruitment. Campus placement as a source of recruitment is preferred rarely or somewhat by sample unions that are medium or large. Employee (and board member) referrals with an average score close to 3 appear to be preferred by small unions more than by medium or large unions. Of all the five sources listed, placement agencies/consultants are the least preferred sources for the sample unions, irrespective of their

size. Internet/career sites are rarely preferred by small and medium size unions but preference for the same increases in large unions. Qualitative data on the item indicates preference for website of the union or state federation and not exclusive career sites.
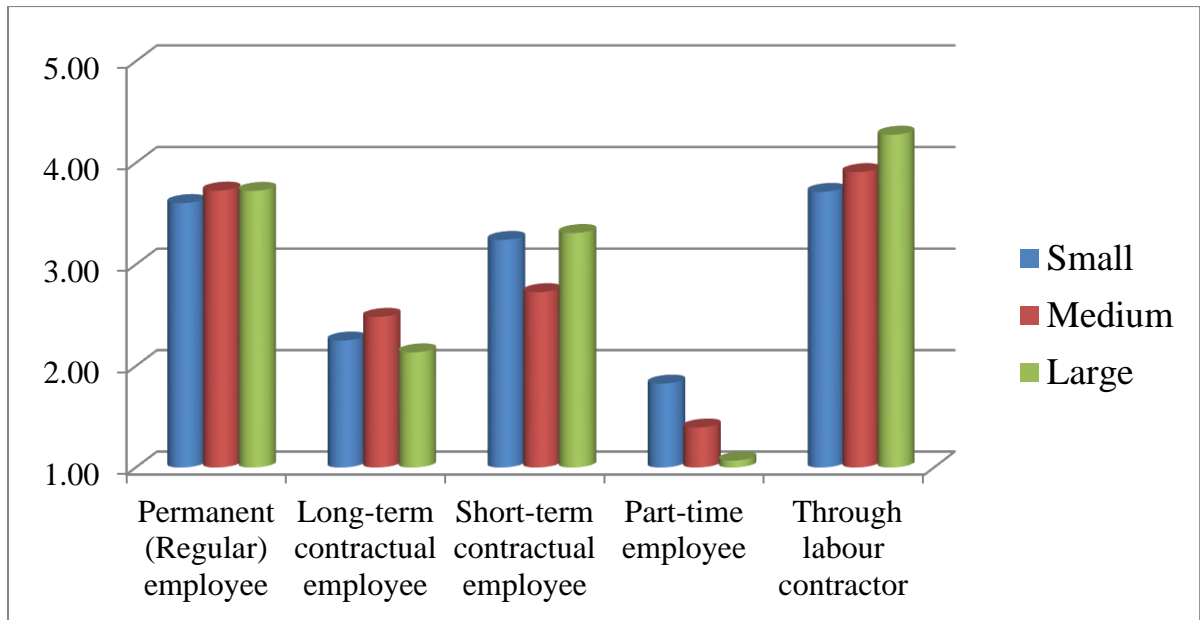
Figure 4.19 Types of Appointment

With total mean score around 4, though appointment through labour contractor comes across as the most preferred mechanism of engaging required human resources, this is true mostly for the labour/worker category in most of the sample unions as gathered through interviews. Discussions with employees and HoDs also revealed that in some EIAs even professionals like dairy technologists and veterinary graduates are engaged through contractors. As most of the interviewees were permanent employees, they have also reported appointment as a permanent employee as a somewhat preferred mode of engagement. Short-term contract is another form preferred by small and large EIAs. A long-term contract is rarely preferred, whereas, part-time employment is mostly not preferred at all, except some small unions who rarely prefer this mode.
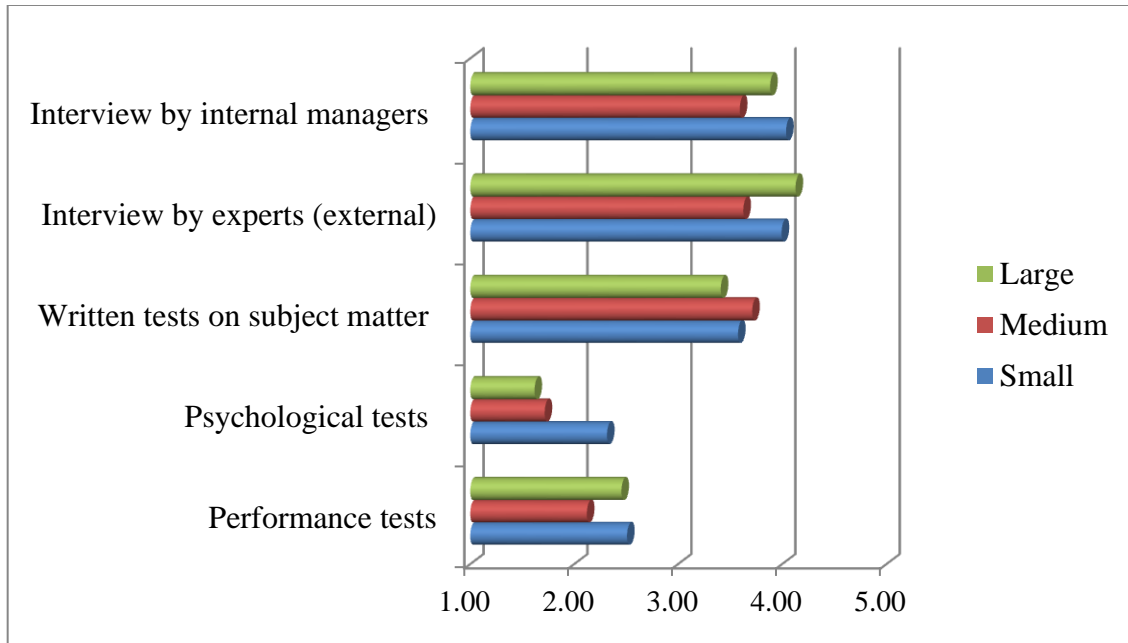
Figure 4.20 Preferred Selection Tools

With Mean scores in the range of 3.5 to 4, interviews seem to be highly preferred as a selection tool. Psychometric tests seem to be the least preferred selection tool, though some unions do use written tests for subject knowledge, performance tests seem to be only rarely to somewhat preferred by sample unions.

Analysis of qualitative data collected through FGD/LS indicates that there is a dearth of regular (permanent) or professionally qualified employees and respondents recognized the need for timely recruitment, selection, and deployment of competent employees in key managerial positions. In case of most of the sample unions, quite a few of the HoD positions were held either by non-managerial employees or by those managerial employees who superannuated and are continuing to serve respective unions through short-term contractual arrangement or an additional charge of such positions is being held by Heads of other Departments.

Though some of the unions have not been able to appoint regular employees since early to mid-1980s, due to a ban on recruitment by respective regulatory authorities, most of the respondents have been able to recognize the need for timely HR planning as well as recruitment and selection to ensure greater efficiency and effectiveness of EIA operations.

Figure 4.21 Association of Key terms with Recruitment and Selection

The word-cloud above captures the key terms associated with recruitment and selection processes in sample unions. Advertisements are used as the most preferred way of recruiting whereas Interviews come across as the most preferred selection tool. Board-referral/board involvement in recruitment and selection is also indicated in some interviews. Preference for son-of-soil also gets reflected in the word-cloud. Contractual appointments or engagements through labor contractor are the other phrases worth noting. Government permission needed for recruitment is also mentioned as a constraint. Recruitment of freshers and trainees indicate the prevalent practice.

4.13: Induction and organizational socialization

Qualitative data collected through FGD/LS and interviews indicate that the current practice of on-boarding for the new recruits is far from adequate. Owing to grossly inadequate manpower, small unions do not have much flexibility of organizing detailed induction programmes, even in case of unions in the other two categories, wherever induction is organized, employees and HoDs have expressed dissatisfaction over the duration and content of the

induction programmes. An effective induction programme, according to respondents needs to have sessions on industry knowledge, POI and its special characteristics, an overview of the union and its various functions, detailed acclimatization of the department where the new recruit is to be posted etc.

As many unions have begun using contractual employees, often they are not provided appropriate induction training. Often organizations have put forth an argument of inadequate manpower for not being able to provide appropriate induction to new recruits.
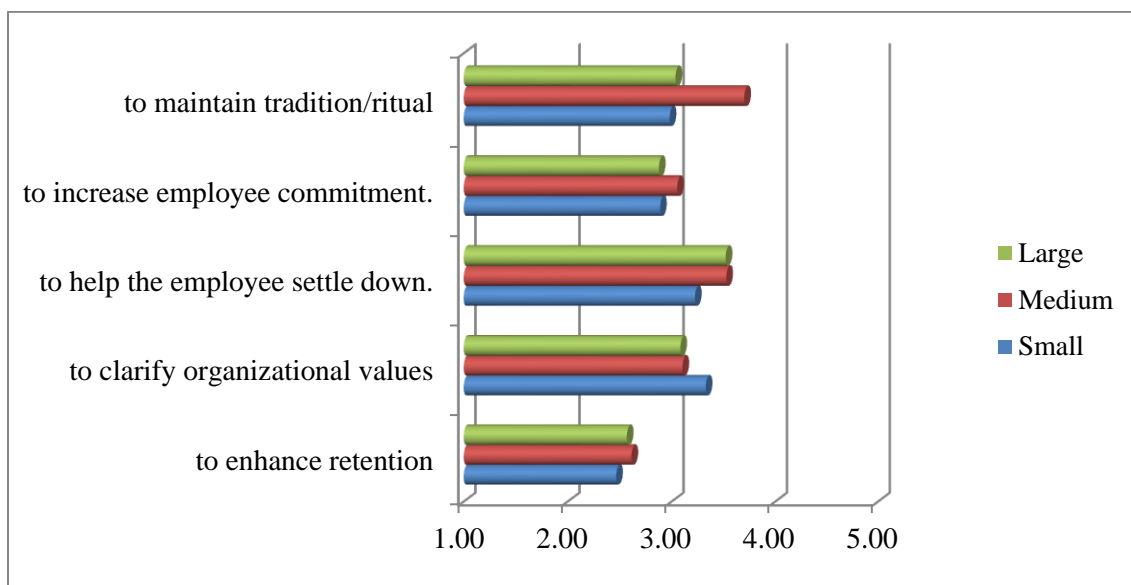
Figure 4.22 Objectives of Induction across sample unions

To help employees settle down in the new place, followed by maintenance of tradition/ritual and clarifying organizational values seem to be perceived by the respondents across all three categories of the union as the somewhat preferred objective of induction programmes.

4.14 Training and Development

This section captures the responses on kind of training provided (scale: 1- never provide to 5 – provided on most of the occasions), training evaluations, focus and purpose of training.

The scale used for the latter two is given below:

Based on the mean scores depicted in the graph below, safety training, training on new equipment/method, training on technical knowledge and skills as well as supervisory and management skills training emerge as training provided on many occasions in large as well as small unions. Medium size unions appear to be lagging a little behind the other two categories on these trainings. Large unions seem to be doing better in providing trainings on product knowledge as well as productivity enhancement.

Small unions don't seem to be providing trainings in many areas such as OD, health promotion, outplacement/retirement training, time management, team building, customer service, data processing/IT, employee motivation, communication skills, career planning & personal growth. Some of the areas where the sample unions, irrespective of their size, do not seem to be providing adequate trainings include OD, health promotion, outplacement/retirement, time management career planning, and personal growth.
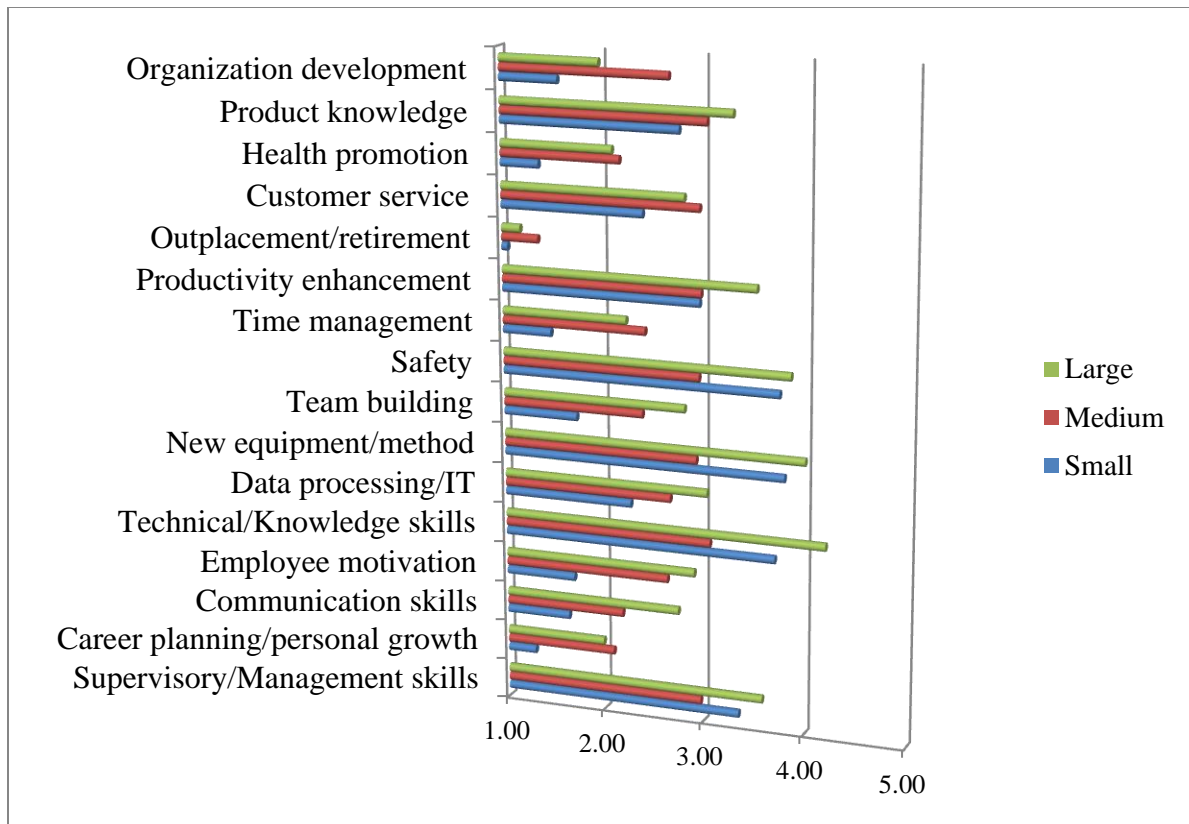
Figure 4.23 Training and Development

Qualitative data indicate that organization having TQM and related interventions appear to have strong training function. As part of TQM interventions, the employees meet frequently and have been oriented and trained by internal and external experts on several technical aspects of work as well as soft skills such as communication, motivation, change management etc. Being part of the food industry, most of the sample unions regularly organize health check-up and training sessions on health and hygiene. Organization Development (OD) type participatory trainings and review sessions are also organized mostly by unions that have TQM and related interventions.

Figure 4.24 depicts a wide range of training needs as expressed by the respondents. Technical and functional training needs such as marketing, technical, product quality, animal husbandry, and productivity enhancement, dairy processes related trainings are indicated by the respondents. It is also critical to note that respondents have expressed that soft skills trainings should also be provided to the dairy employees. These include: Communication skills,

motivational training, team building, problem-solving, time management, behavioural skills, personality development and the like. Some of the respondents have also emphasized the need for strategic and value-based trainings such as strategy, long-term focus, self-initiation, cultural inputs and effectiveness focus, organizational values.

Figure 4.24 Training needs of the employees

Table 4.9 Training Evaluation levels

Training Evaluation Levels	SMALL	MEDIUM	LARGE
Training evaluation Level 1- Reaction	2.51	2.91	3.07
Training evaluation Level 2 – Knowledge	2.75	3.15	2.86

Training evaluation **Level 3 – Behaviour Change**	1.74	2.43	2.21

Large sample unions that carry out training evaluation, seem to be carrying out training evaluation at level 1 followed by level 2 & 3. For medium size sample unions, assessment of knowledge seems to be carried out the most, followed by reaction level and behaviour change (level-3), in that order. Level 3 of training evaluation comes across as the least carried out in the unions.

While discussing training evaluation, some of the respondents did share details about the newly initiated practice of employees nominated for training to submit a report and make a presentation to his/her team. The HR files could not support this adequately, with many of the templates being blank or incomplete.

Table 4.10 Focus of Training Programmes

Focus of Training Programmes	SMALL	MEDIUM	LARGE
Long-term focus	2.62	2.63	3.12
Short-term focus	2.86	2.87	2.73
Task-oriented	3.67	3.41	3.95
Need-based	3.38	3.44	3.51
Driven by business goals.	3.25	3.15	3.41

High mean score in the range of 3.41 to 3.95 indicates that those who attended the training programmes have high task orientation. They are also found to be need-based as indicated by mean scores in the range of 3.44 to 3.51. Training programmes also seem to be driven by business goals. However, from the perspective of their focus, respondents seem to be agreeing to some extent for the focus of training programmes being short-term as well as long-term.

Qualitative data indicates that owing to scarcity of manpower, often the unions are not able to nominate their employees even for training programmes sponsored by agencies such as state federation or NDDB. This also impedes carrying out of other training related tasks such as training needs assessment, At times, when sponsored programmes are organized and the union needs to nominate an employee or two, they tend to nominate such individuals who are available and not necessarily those who need the training.

One major training need to be identified by many organizations is in the area of marketing. This year, in particular, most unions have faced the challenge of excess stock of SMP and butter. Some union managed to sell the stocks to institutional buyers, some controlled procurement to exhaust the inventories, while some used benevolence of the farmer-producer members to sell clarified butter. However, most unions have realized the need to augment their marketing skills as selling milk as a commodity does not fetch much value and with increasing competition, it's going to get challenging for them to be able to develop and manage markets. Other training needs identified by HoDs, in particular, include participatory problem solving, teamwork and motivation, conflict management, performance appraisal skills, and TNA skills.

4.15 Performance Management System

In this section, we present an analysis of quantitative as well as qualitative data collected from the respondents on Performance Management System in their unions. The data was collected to understand different aspects of PMS including the use of participatory approach for developing performance standards, complete or partial coverage of PMS, types, and focus of performance appraisal, and stakeholders involved in performance appraisal.
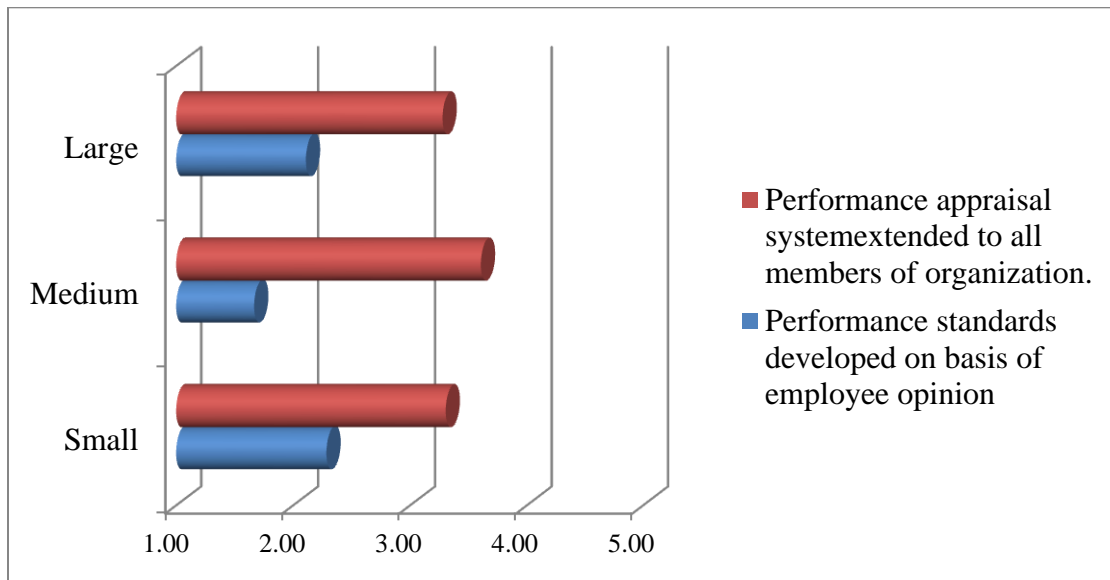
Figure 4.25 Employee involvement in the development of performance standard

Mean scores given in the above table indicate that employees' opinion is used to a very little extent for developing performance standards. A mean score between 3 and 4 indicates a perception among the employees to some extent that performance appraisal is extended to all members of the organizations.

Qualitative data pertaining to this indicate that prevalent performance appraisals are by and large traditional, confidential report type, often carried out by the appraiser in haste, not giving it adequate time. The respondents also expressed the need for performance appraisals to foster two-way communication between the one being appraised and the appraiser, to be transparent such that the appraised gets to discuss his/her work plan and performance, receive feedback and plan for improving performance.

As can be seen in Figure 4.26, in case of most of the sample unions, the performance appraisal is largely an individual based system and has not graduated to either group/team based or a 360^0 system. Respondents perceive that ratings in performance appraisals focus more on pre-determined sets of behaviours. This also gets supported by the performance appraisal formats that unions shared with researchers for the data collection. In some cases, respondents did report

that their organizations use result-oriented rating methods for performance appraisal. The results of performance appraisal and the Focus of rating scales are presented in Figure 4.26 and 4.27 respectively.
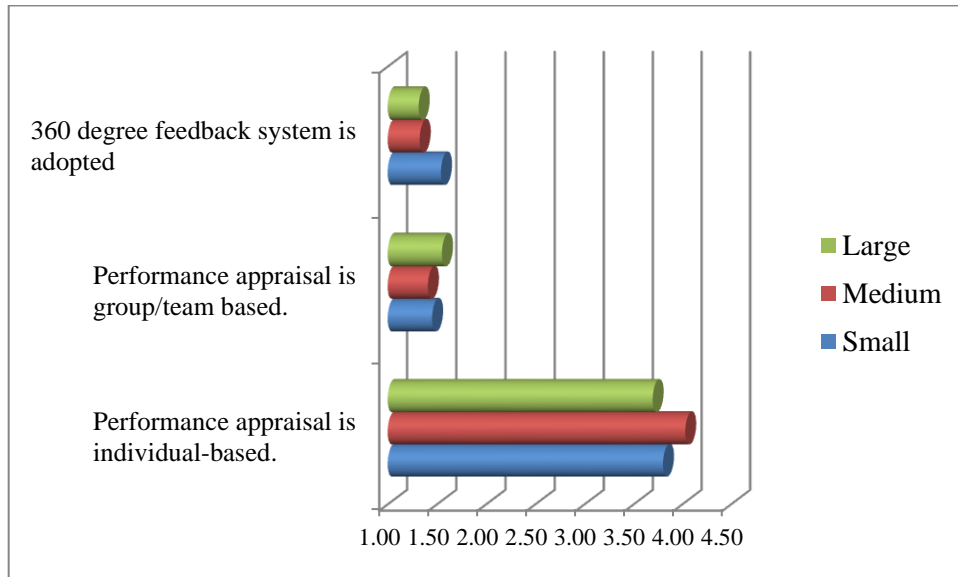
Figure 4.26 Performance Appraisal System
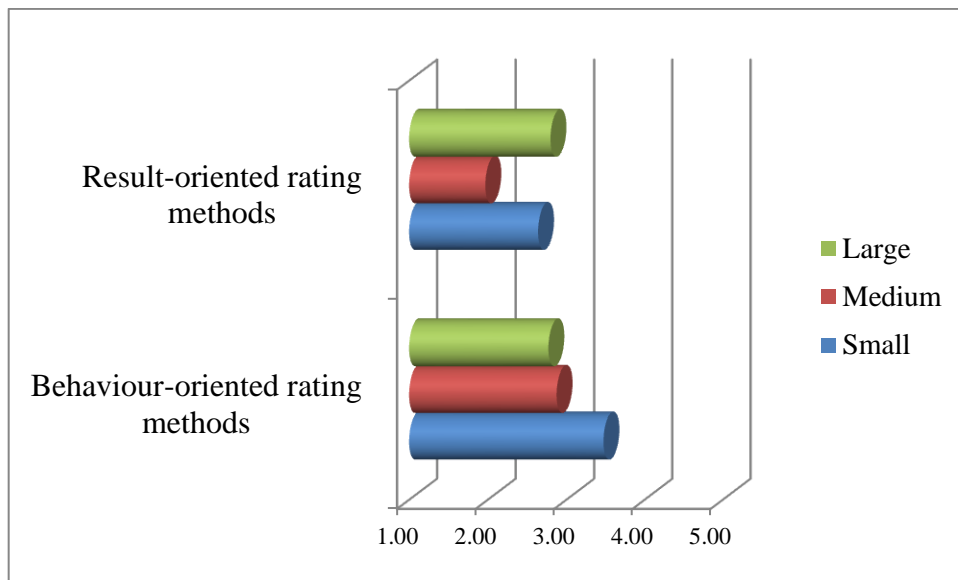
Figure 4.27 Focus of the Rating Scales

In the case of organizations using TQM and other quality related interventions, it has been noticed that such organizations use other mechanisms for planning and measuring section and department level work performance. However, this has not been extended to the level of individual performers. There appears to be a need to integrate the performance appraisal steered by the P & A/Administration department followed by work planning and measurement driven by departments steering TQM interventions.
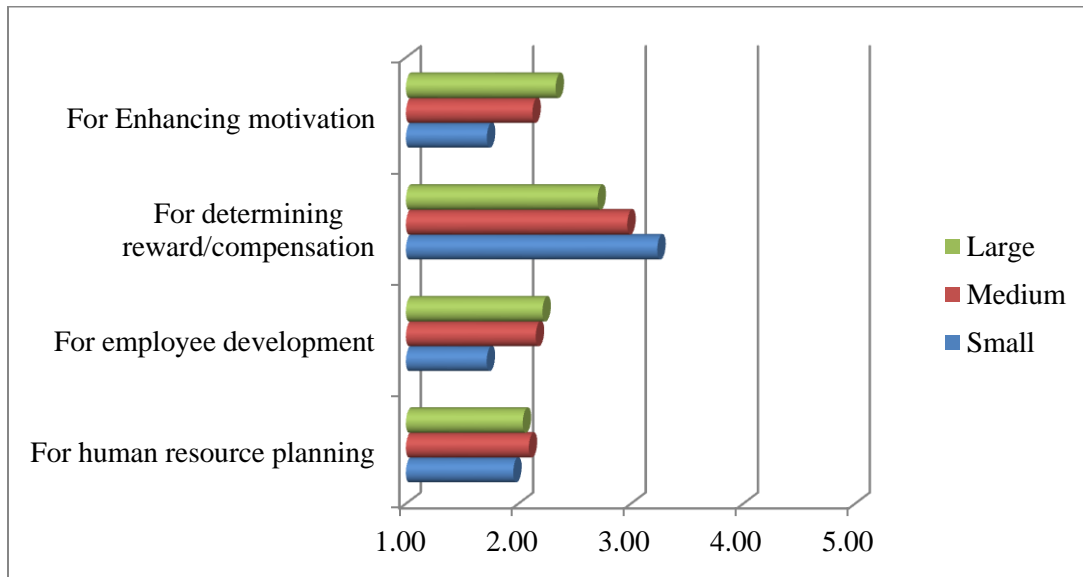
Figure 4.28 Primary use of Performance Appraisal

Mean scores (total) around 2 indicate no clear primary usage of performance appraisals data for HR Planning, employee development or enhancing employee motivation. In some cases though, performance appraisal scores do seem to be used for determining reward/compensation.

Qualitative data indicates the need expressed by respondents for clearly linking performance appraisal ratings with incentives. Some respondents have explicitly expressed the need for this linkage, especially for employees in the marketing function. Many have also expressed the need for the reporting officers to use performance appraisal as a mechanism to guide their direct reports.

Table 4.11 Persons responsible for Performance Appraisal (PA)

Person(s) Responsible for PA	SMALL	MEDIUM	LARGE
Immediate supervisor	3.51	3.94	3.5
Subordinates	1.5	1.47	1.45
Peers	1.44	1.29	1.33
Self-appraisal	1.64	2.98	2.25
Customers	1.88	1.22	1.23

As can be seen from the above table, the immediate supervisor is primarily responsible for the performance appraisal of an employee. Qualitative data also indicated that in many cases, it's the HoD who shoulders this responsibility for all the employees in his/her department. Self-appraisal also seems to be prevalent in some of the sample organizations, however, there does not seem to be a common practice of subordinates, peers or customers being involved in the performance appraisal of an employee.

4.16: Reward and Compensation
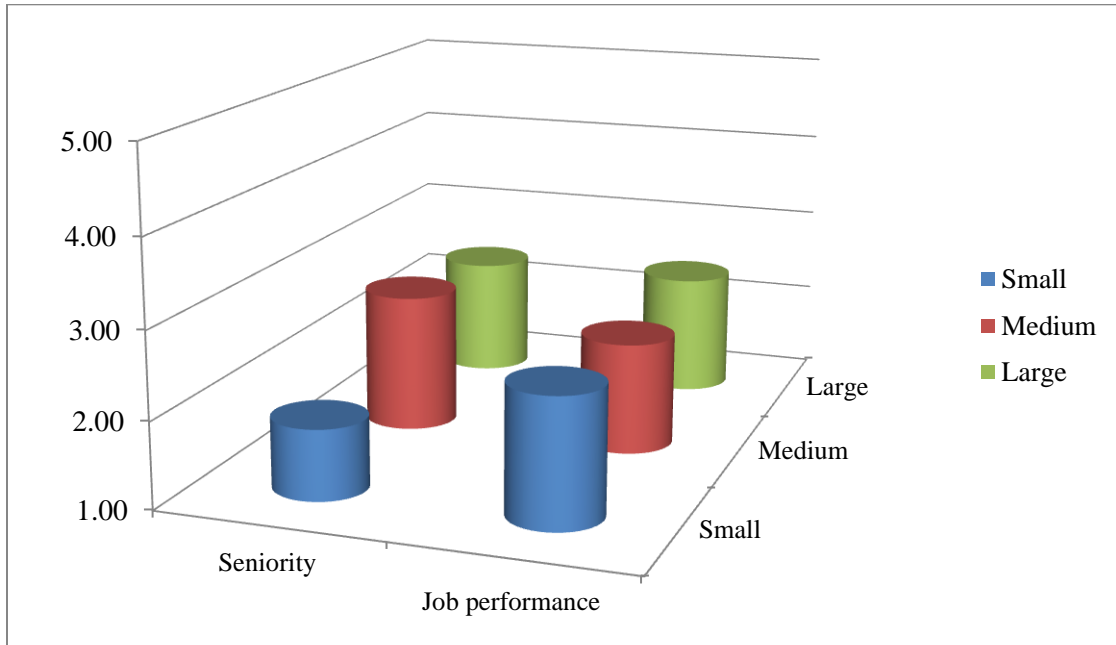
Figure 4.29 Bases of Reward and Compensation

Responses to statements of seniority or job performance as the basis of rewards do not very clearly indicate it to be so. Qualitative data does indicate an absence of rewards in most of the unions studied.
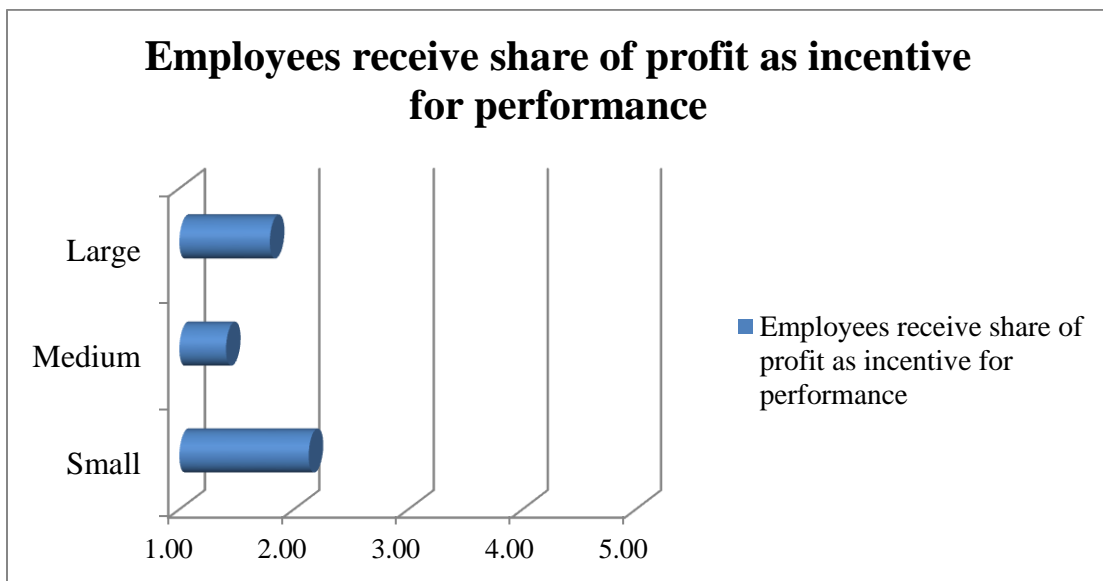
Figure 4.30 Profit Sharing

Most of the sample organizations do not seem to have a system of sharing organizational profit with employees as an incentive for their performance. All the unions studied did have the statutorily mandated system of bonus.
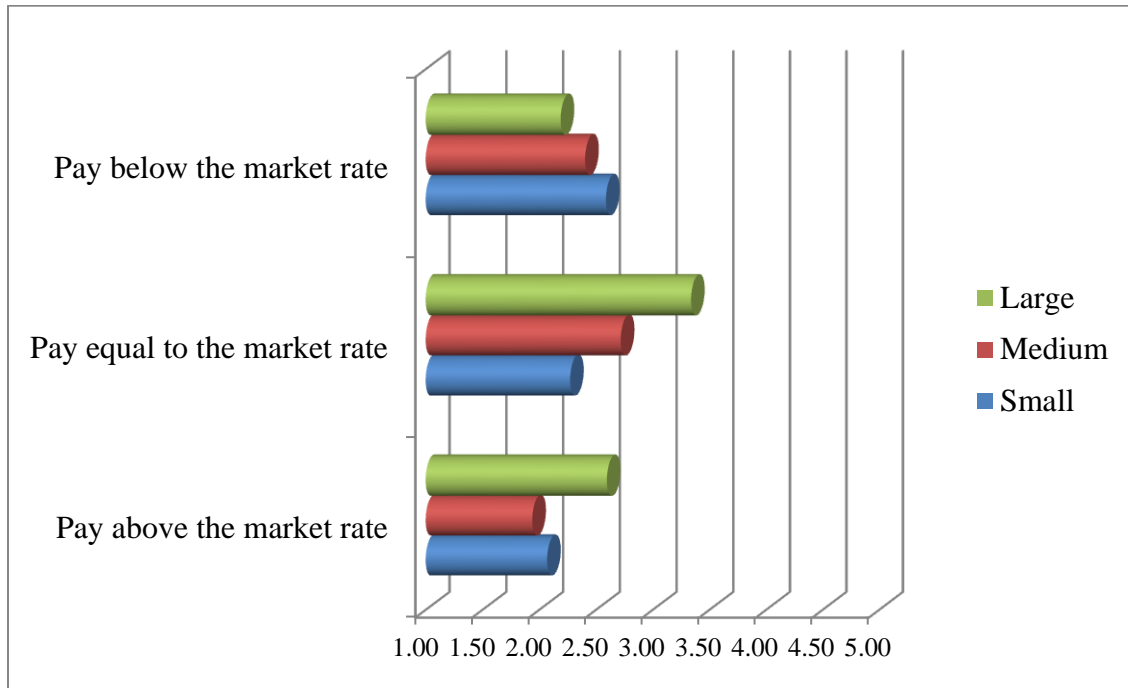
Figure 4.31 Compensation Comparison

The pay seems to be equal to the market rate in the case of large organizations. While the respondents did not seem to agree on much beyond the little extent to the statements about organization's pay being above or below the market rates, agreement around the organization's attempt at maintaining internal equity seems to be more than some extent on an average.

Qualitative data do provide more insights into the employees' perception on compensation being provided by their organization. While employees appreciate that the salaries are paid timely, many of them were concerned over the pay being lesser than the market rate, especially for professionally qualified employees. Some respondents also expressed concerns

over salaries not being synchronized with the growth of the business of the organization and expertise of the employees, especially the professionally qualified ones. Some of the respondents also indicated a need for linking increment with performance.
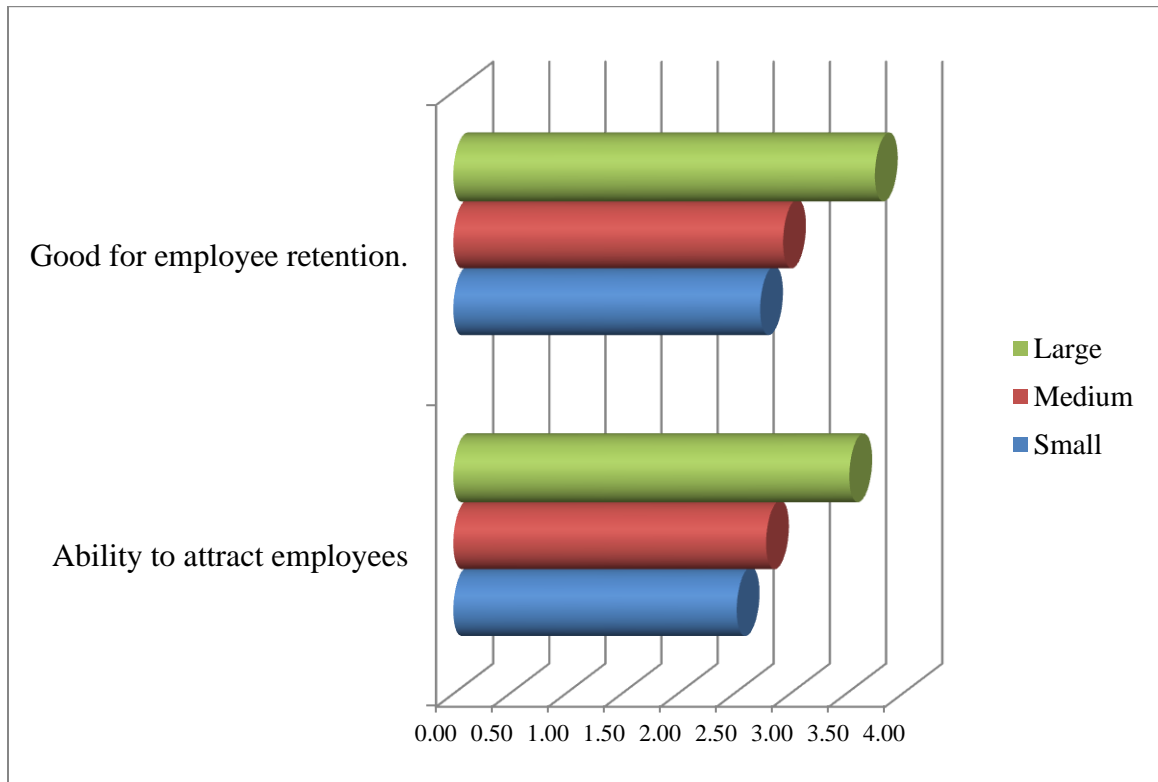
Figure 4.32 Functions of Compensation

In case of large organizations, the compensation does seem to have the ability to attract as well as retain employees.

4.17 Professional HR Practices

In this section, we present the analysis of the data pertaining to professional HR practices as perceived by the respondents.
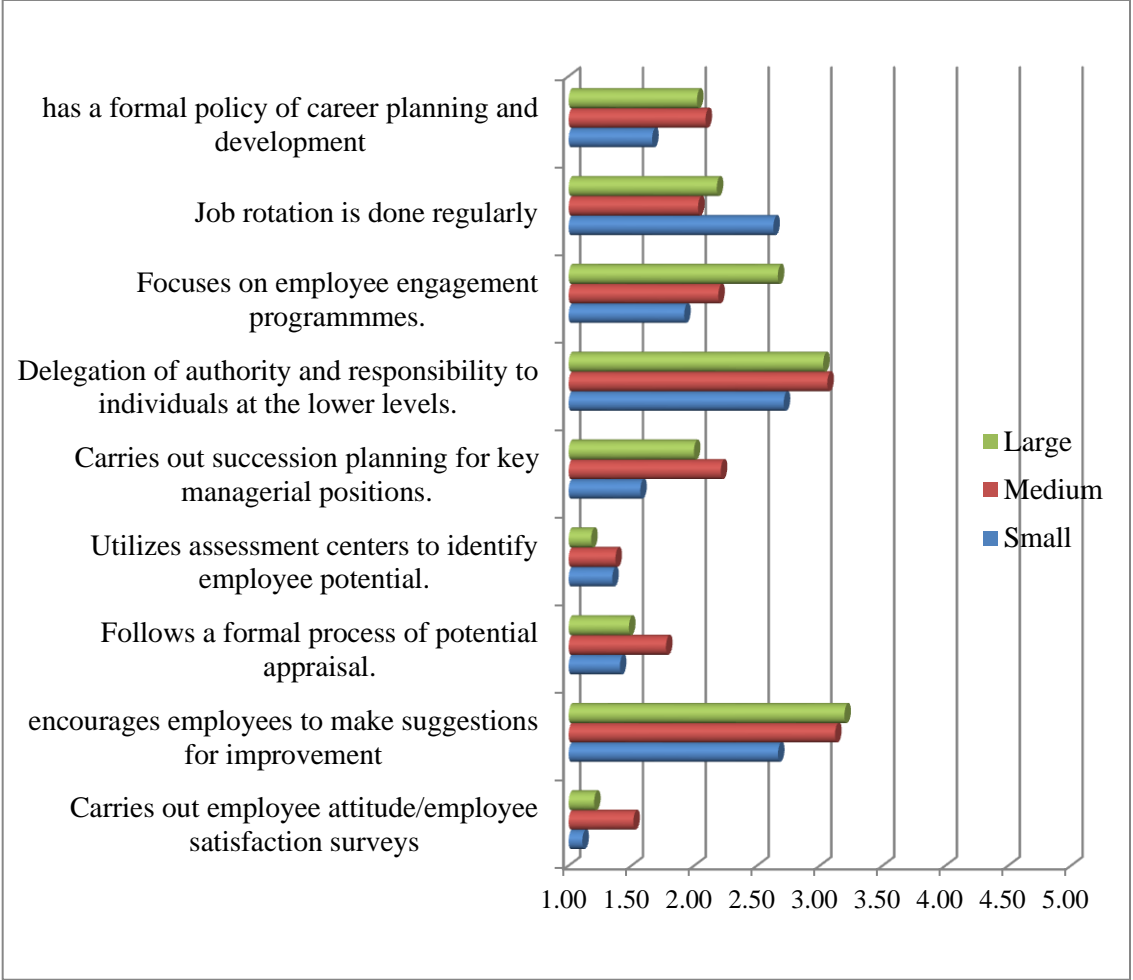
Figure 4.33 HR practices across sampled milk union categories.

Delegation of authority, responsibility and encouraging employees to make suggestions for improvements come across as adopted practices prevalent in the sample unions according to the respondents. This leaves a lot of room for implementing practices such as career planning and development, job rotation, employee engagement programmes, succession planning, potential appraisal, assessment centers, and employee attitude/satisfaction surveys.

4.18 HRD Climate

4.18.1 Rationale for studying HRD Climate

Literature on high performing organizations demonstrates that they have made considerable strides towards designing effective human resource systems. These effective human resource systems include effective manpower planning, recruitment and selection processes, realistic performance management plans, effective learning, and development system providing ample opportunities for learning with the help of training, appraisal interviews and guidance, and other mechanisms such as coaching and mentoring. In addition to these, modern day organizations have devised mechanisms which lead to a feeling of commitment, trust, and belongingness in their employees.

An examination of the HRD climate was felt to be important in this study to understand the set of perceptions held by employees in the Milk Unions about the existing human resource systems in their unions. Study of HRD climate can lead to an understanding of perceived climate and help in devising the HRD systems around those dimensions which are perceived to be low.

For the purpose of this study, we used two different climate questionnaires on was by Daftuar[23] and another by Rao and Abraham[24]. The two questionnaires are used for studying HRD Climate in the milk unions so as to cover all the important dimensions of HRD. While HRD climate questionnaire proposed by Daftuar (1996) covers the important HR climate related dimensions such as, participation in decision making, succession planning, reward climate, performance evaluation, and training climate. All the HRD climate variables had a high degree (Cronbach alpha of more than 0.70) of internal reliability as measured through Cronbach alpha.

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[23]Daftuar, C.N. (1996), "HRD Climate Questionnaire", In Sarupria, D.S., Rao, TV. and Sethumadavan P., Measuring Organizational Climate, Academy of HRD, India, pp. 117-121.
24 Rao, T.V., & Abraham, E. (1986). HRD climate in organizations. In T.V. Rao(Ed.), Readings in human resource development(pp. 36–45). New Delhi: Oxford & IBH Publishing Co. Pvt.Ltd.

4.18.2 Comparison of HRD Climate scores across categories and regions

Results of the HRD climate on the dimensions of participation in decision making, succession planning, reward climate, performance evaluation, and training climate is presented in Table 4.12. The Mean score on each dimension gives the relative position of the climate on each dimension. This also gives the dominant HRD climate and the areas of HRD concern (Low mean score). The total score gives the overall perception of HRD climate in the organization. All the dimensions had a moderate score (the mean scores of all organizations ranged from 3.12 to 3.52), signifying that the employees had neither a strong positive perception on the dimensions of organizational climate nor they had a strong negative perception towards the dimensions of organizational climate. The respondents were largely indifferent.

To understand the differences across the organizational category we subjected the data to a one-way analysis of variance test. The 'F' test revealed that all the five dimension of organizational climate had significant 'F' values. This means that there was a significant difference among the categories of organizations with reference to the five dimensions of organizational climate. The results suggested that in large organizations there was a greater degree of participation in decision making, better reward climate, performance evaluation, and better training climate (Table 4.12).

Table 4.12 Category wise Mean scores and 'F' values on HRD Climate dimensions (Daftuar)

Dimensions of Climate	Small		Medium		Large		Total		'F' Values
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	
Participation	3.54	0.92	3.33	0.93	3.67	0.91	3.52	0.93	6.066**
Succession Planning	3.42	0.92	3.06	1.00	3.33	0.93	3.26	0.96	5.193**
Reward Climate	3.13	1.08	2.85	1.15	3.34	1.04	3.12	1.10	8.978**
Performance Evaluation	3.42	0.91	3.09	0.95	3.41	0.88	3.31	0.92	6.824**
Training Climate	3.44	0.86	3.07	0.98	3.54	0.87	3.36	0.93	12.636**

Note: ** p < 0.01

We also wanted to compare the five dimensions of climate. The results are presented in Figure 4.34. It suggests that among the five dimensions, reward climate has the lowest score across all organizations. This tells us that all these organizations have a lower perception in the minds of their employees as far as reward climate is concerned (Figure 4.34)

To understand the regional variations on the organizational climate, we subjected the data to a one-way analysis of variance test. The 'F' test revealed that apart from the reward climate no other dimension of organizational climate was significant. This suggested that as far as regions are concerned, the employees of milk unions had similar perception. We found that the employees from Northern Region had significantly higher positive perception about reward climate than the other three regions (Table 4.13)
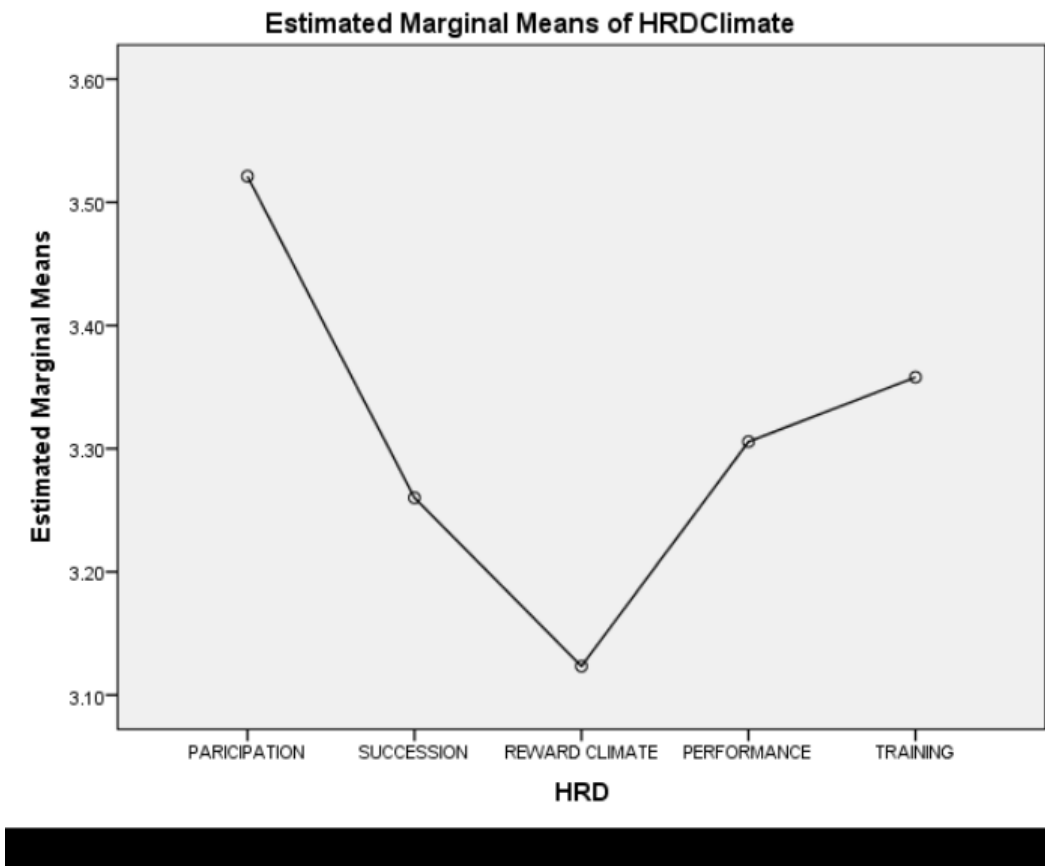
Figure 4.34 Comparison of the Five Climate dimensions

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Table 4.13 Region wise Mean scores and 'F' values on HRD Climate Dimensions

Variables	North (66)		South (147)		East (68)		West (204)		'F' Values
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	
Participation	3.66	.92	3.39	0.80	3.73	0.96	3.49	0.98	2.738
Succession Planning	3.34	.98	3.26	0.75	3.24	1.09	3.23	1.03	0.247
Reward Climate	3.33	.12	3.22	0.93	2.67	1.16	3.12	1.15	5.126**
Performance evaluation	3.52	.02	3.23	0.74	3.25	0.98	3.30	0.97	1.626
Training Climate	3.65	.87	3.30	0.77	3.32	0.93	3.30	1.02	2.614

Note: **p < 0.01

Abraham and Rao questionnaire threw up four meaningful factors; these were, Team Spirit, Top Management Commitment to HRD, Employee Development and autonomy. The Mean scores of all the dimensions were just above 3 and, thus, they were neither positive nor negative. Among all variables, team spirit had the least score. We wanted to know whether the categories differed along the four dimensions of organizational climate. Only on two dimensions (viz.; Top Management Commitment and Employee Development) the scores differed significantly across the categories. In small and large organization, the top management commitment was significantly higher than the score of top management commitment for medium sized organizations. The results are presented in Table 4.14.

Table 4.14 Mean, SD, and 'F' value on HRD Climate across category

Variables	Small		Medium		Large		Total		F' value
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	
Team spirit	3.37	0.64	3.30	0.67	3.39	0.63	3.35	0.64	0.824
Top management commitment	3.67	0.85	3.35	0.88	3.61	0.76	3.53	0.84	5.908**
Employee development	3.64	0.74	3.37	0.84	3.58	0.76	3.52	0.79	4.759**
Autonomy	3.67	0.74	3.52	0.85	3.47	0.75	3.54	0.79	2.104

Note: **p < 0.01. (Rao and Abraham)

One of the assumptions we had made was that there will be regional differences because of the endowment factors and this will be reflected in the HRD climate scores. We conducted Analysis of Variance (ANOVA) test to check whether there is a significant difference across regions. We found that in the Northern and the eastern regions, team spirit had a significantly higher score than the South and West. Southern region organizations experienced relatively less autonomy than the Northern, Western, and Eastern region organization. However, there were no significant differences across the regions on top management Commitment and Employee development.

Table 4.15 Mean, SD, and 'F' value on HRD Climate across regions

Variables	North (30)		South (144)		East (68)		West (200)		F' Value
	Mean	SD	Mean	SD	Mean	SD	Mean	SD	
Team Spirit	3.55	0.34	3.28	0.55	3.49	0.61	3.33	0.73	2.774**
Top Management Commitment	3.43	0.61	3.51	0.73	3.61	0.86	3.54	0.93	0.346
Employee Development	3.53	0.61	3.47	0.68	3.64	0.85	3.51	0.87	0.713
Autonomy	3.84	0.50	3.38	0.69	3.56	0.91	3.60	0.83	3.664**

Note: **$p < 0.01$. (Rao and Abraham)

4.18.3 Text Network Analysis of HRD Climate in Milk Unions

To achieve robustness in the study of HRD climate in milk unions, the study team adopted methodological triangulation or mixed-methods research. Mixed method research uses more than one kind of method to explore a phenomenon under study. Of the two types of methodological triangulation: 'across method' and 'within method', study team used across method triangulation combining both quantitative and qualitative data collection techniques. This methodological triangulation is done to provide confirmation to the findings, presentation of more comprehensive data, to achieve increased validity and enhanced understanding of the studied phenomenon. To achieve triangulation in this case, the study team used qualitative interviews with open-ended questions to ask people about their views on HRD climate.

These interviews were transcribed and checked for accuracy by the interviewers, any inaccuracy in the transcribed interview was verified with the interviewee to ensure zero loss of meaning in recording and transcribing the interviews. Text Network Analysis (TNA) was used to analyze these interviews, using InfraNodus, a text network visualization software. Text networks can be seen as an interface and have a certain meaning to convey using Landscape Reading Model (LRM). Use of schemas, particularly knowledge graphs in TNA, has been shown to aid better understanding of textual data and tackle the dynamic nature of knowledge. TNA enables us to create a text network graph, identify the *"structural properties"* of the graph and *"central concepts"* emerging from the text, and visualize *"pathways for the production of meaning within the text"*. The method has the ability of providing better insights into hidden agendas present within a text and better understanding of its narrative structure. In a text network, words become nodes and connection between words becomes edges. In an analysis of text networks, the focus is on four distinct measures of the network: the density, average degree, modularity, and discourse polysingularity. Each of these is explained below:

- Density: The density of a network is the proportion of possible ties that are present.
- Modularity: Modularity measures the density of the nodes that are more densely connected together inside a community of text than the rest of the network. A community is a sub-network within the text network.
- Average Degree: Average degree is the ratio of the total number of edges (links between the words) and the total number of nodes (words). It highlights how many connections each word has to other words in the text.
- Discourse Polysingularity: Discourse polysingularity indicates the nature of the discourse visualized in the graph. Polysingularity could be of following types: 'sparse'—a fragmented discourse; 'diversified'—a discourse with a high level of plurality; 'focused'—a discourse that prioritizes one or two topics; or 'biased'—pushing forward a specific agenda (Source: Nodus Labs).

Table 4.16 provides a summative account of measures and observations drawing upon the TNA of interviews with the employees.

Table 4.16 Measures and observations drawn upon text network analysis

Measures	Observations
Total Words (nodes)	134
Graph Density	0.34
Average Degree	6.44
Modularity	0.53
Concentration around top topics	27% (around top 11 topics)
Discourse Polysingularity	Focused
Main topics detected	1. Performance 2. Employees 3. Organization 4. Present

The total number of nodes in the network indicates that the employees interviewed have used 134 distinct words while refereeing to the notion of HRD climate in their organization. The text network density is 34%, which is indicative of connected network (value above 25% indicate connected networks). The literature on Text Network Analysis acknowledges that as the size of the network increases, the density of network decreases, even when the average number of ties per node does not change. Similarly, the average degree is 6.44, indicating that each node is on average connected with more than 6 other words, which suggests significant network cohesiveness. Modularity helps in identifying dense communities in a text, whereby a community refers to a sub-network of words that are densely connected to each other. A modularity measure of above 0.4 indicates the presence of prominent communities within a text, whereas a low modularity score indicates the irrelevance of communities within a text network. The modularity value of the HRD Climate network was 0.53, which implies the presence of significant communities in the network. The network is mostly concentrated around the topics presented in the table above, with a total of 27% nodes being organized around these topics.
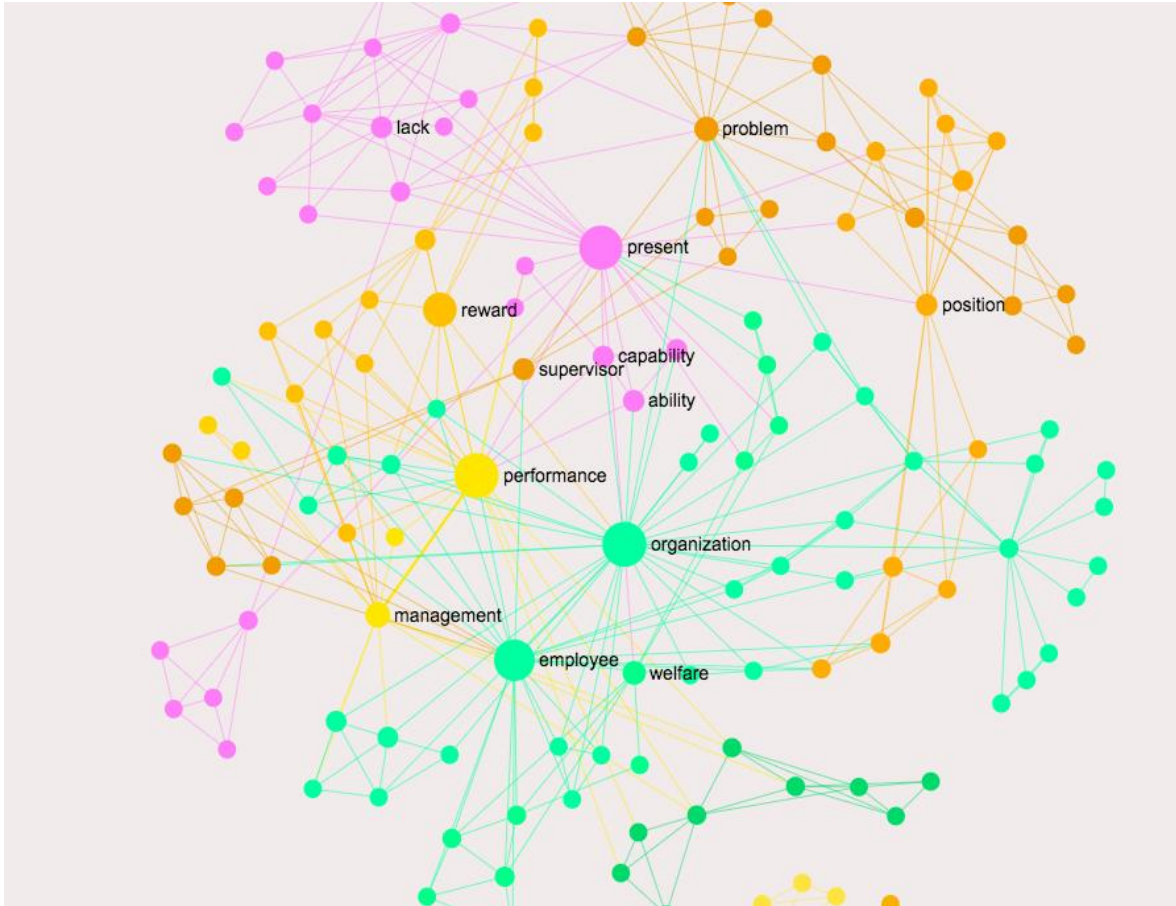
Figure 4.35 Text Network of HRD Climate highlighting important nodes

The text network presented in the figure above indicates two distinct patterns, first is that the network consists of four communities. Important communities which are relevant to HRD climate are employee, performance, reward, and organization. 'Employee' appeared as an important node in the conversation around HRD Climate. Almost all the employees interviewed, raised concerns around employee appraisal, succession planning and performance of the organization.

Some of the important distal arrangements that can be seen in the network graph indicate that employee training is arranged at a distance in the network graph indicating the absence of required training. Employee expects systematic determination of training needs and every employee should get a chance for training. Training which is given to the employees is sporadic and is not necessarily solution based. Employees also do not see a progression in career. Further,

the graph network also displays that career progression is not planned in the organization. Performance appraisal is generally in the form of an annual confidential report and does not lead to any kind of performance improvement plan for the employee.
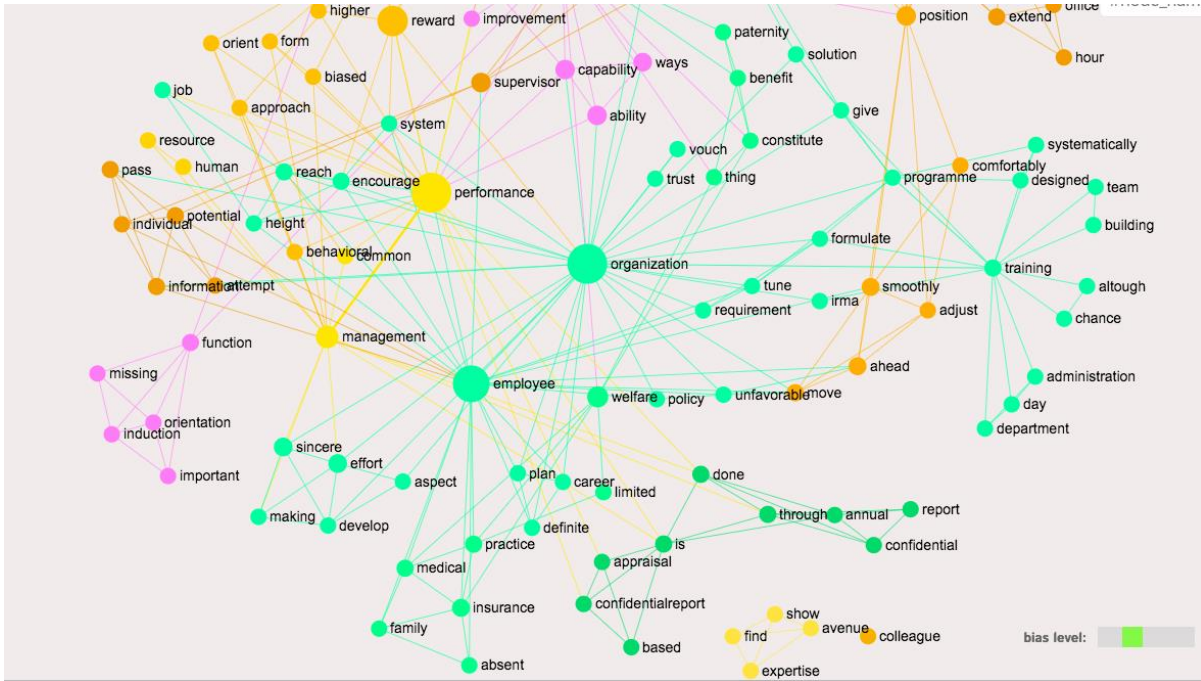
Figure 4.36 Distal arrangements of nodes (Performance, Organization, Employee)

Some of the positive aspects of HRD Climate are presented in the portion of the network graph presented below. Positive aspects of top leadership such as forthcoming nature in case of problems which may be on or off work is a distinct feature of HRD climate of milk unions. Employees are generally helpful in situations of crisis. Employee seeks advice from their colleagues and supervisors to which they receive a positive response. Policies around counseling are not directly present and absence of succession planning is highlighted in the graph network below.

Figure 4.37 Distal arrangements around nodes (present and problem)

Interfaces presented in the graph network using TNA indicate that HRD climate in milk union is missing when it comes to HRD systems such as presence of healthy structures around performance management and employee training. Training need analysis does not feature in most of the milk unions. The absence of training need analysis leads to training which is not necessarily need-based and does not help the employees in addressing actual workplace problems. Performance appraisal lacks modern methods such as competence or behavior based approach and is not associated with employee reward or recognition. In some cases, performance appraisal is not even annual and is only taken into consideration when it comes to employee promotion. Positive aspects of HRD climate include support of top management, providing challenging job opportunities and an invitation for participation in decision making for the department and the milk union.

4.19 Approaches to address critical HR Gaps in Organizations

Through the multi-method approach of data collection and data analysis, study team primarily identified two types of HR gaps: (a) Number of personnel required in various departments and (b) Competency gaps in the existing personnel. Milk unions adopt several measures to address these HR gaps. These measures are discussed in the following:
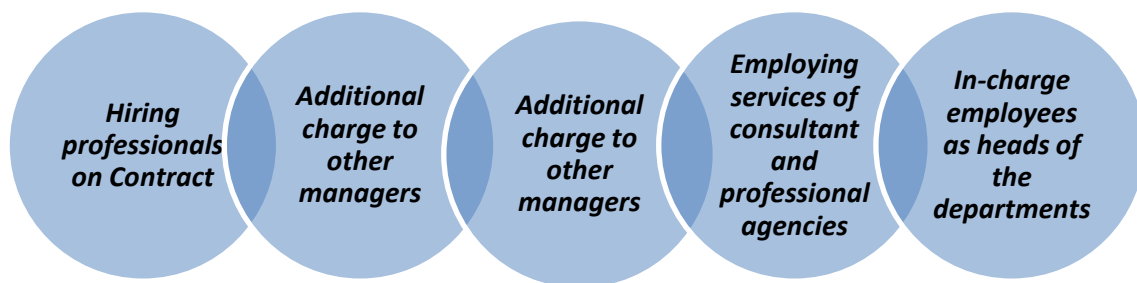
Figure 4.38 Approaches to address critical HR gaps in Milk Unions

Retention or employment of staff after superannuation

HR gaps in the nature of number of employees required in the dairy cooperative or competence required to execute critical functions such as plant operations, procurement and inputs, etc. is met by cooperatives by either retaining the employees after they have superannuated from their position in the same milk union or hiring superannuating employees from Dairy Collective Systems. When it comes to competence required at higher positions, personnel and administration department believes that superannuating employees have years of experience to guide the functions in future as well. Milk unions also believe that these employees can also train fresh graduates and new joiners. Besides their role in mentoring and training, these employees form a strong core group to help management take key decisions. Milk unions often try to take services of superannuating employees of NDDB Dairy Services to gain from the vast experience of personnel who have seen multiple milk unions and have been in leadership

positions. Research in the area of workplace productivity and HR practices indicate that when people don't advance through the ranks because older workers are staying put, they become frustrated and become less productive employees.

Hiring professional staff on contract

Another means to address the HR gap is hiring professional staff on a contract basis. These contracts can be rolled out directly to the professionals or through hiring agencies. These professionals have the necessary qualification and also possess industry experience. Since having these professionals directly on-rolls can be slightly difficult for the milk unions as they are placed at higher salary levels than the regular compensation structure, these professionals are either given consolidated salaries or are provided with extra allowances to the existing pay bands. While this arrangement of hiring professional staff on contract is completely need-based, some milk unions rely on existing employee strength and skillset due to financial constraints faced by the unions.

In-charge employees as heads of the departments

Sanctioned strength and actual strengths of employees show great variations in milk unions. These variations in all of the case are found to be on the negative side, actual strength being less than the sanctioned strength. Common reasons cited by the milk unions for such deviations are financial constraints, inactive or frozen recruitment cycles, interventions by the state governments, etc. In such cases, top leadership in departments such as procurement and inputs, plant operations, marketing, finance, administration, stores, etc. lost employees in the senior positions and positions of heads because of superannuation. Lack of succession planning resulted in stop-gap HR measure of filling up the positions of heads of the departments with in-charges. In some of the milk unions, these in-charge employees do not have the necessary skill set and competence to perform in the departments that are assigned to. Also, interviews with the in-charge employees revealed that they still have to perform the executive role in addition to the leadership role at the departments.

Additional charge to other managers

Giving managers' latitude by delegating more authority and responsibility on them is a key measure taken by milk unions to address the HR gaps. Some of the common examples in the milk unions include veterinary doctors looking after marketing activities in addition to inputs services. While input services remain their core competence area, additional charge demands more in areas in which there is neither any training nor is of any significant interest to them. This adversely impacts routine task performance. This measure is employed by most of the milk unions sampled in this study.

Employing services of consultant and professional agencies

Some of the milk unions directly engage with consultants and professional agencies for turnkey projects of the milk unions. These engagements can last from a few months to a few years depending upon the need of the union and task performance by the agency or consultant. Employing services of consultants and professional agencies help milk unions in meeting the requirement without making investments in the process of recruitment, selection, training and payrolling.

Human Resources Gap estimation

Employee Strength

Arriving at a quantifiable figure at the end of assessment of Human Resources Gap across organization was a daunting task. The complexity is compounded by the following factors:

Technology and size of the organization are important variables in determining human resources need. Each organization is operating in a different context and uses different technology. We observed that organizations having completely automated processing units to organization using decades old technology are substantially different. In terms of products, many

organizations are using manual labour. We also observed that depending on size of operations the technology is also matched. For example, in our sample we had an organization procuring and processing milk from 15 thousand liters/day to about 6 million liters per day. Given this huge disparity it is almost impossible to come out with one solution that fits all. Secondly, we also had very limited sample size. For statistical analysis a sample of more than 30 organizations is a minimum requirement for arriving at some form of estimate. Thirdly, we could not get all the data that were required from all the organizations. Many organizations do not maintain any record of the skills available and utilized from the workers hired through the contract labour. In fact most of the organizations do not maintain segregated data for any contract staff. Segregated and more reliable data is kept for regular employees.

Table 4.17 Regular, Hired through Labour Contractor, procurement data of participating organizations for FY17-18

Regular Employee	Labour Contractor	% of Regular employee to total employee	% of Employee HLC	Total Procurement (in '000 Ltrs)	Milk procurement and processing per person (in '000 ltrs.)
142.00	6.00	95.95	4.05	89.94	0.61
145.00	100.00	59.18	40.82	169.91	0.69
225.00	21.00	91.46	8.54	222.24	0.90
286.00	140.00	67.14	32.86	311.37	0.73
611.00	430.00	58.69	41.31	178.70	0.17
396.00	325.00	54.92	45.08	735.96	1.02
96.00	293.00	24.68	75.32	46.24	0.12
221.00	816.00	21.31	78.69	1136.00	1.10
283.00	219.00	56.37	43.63	170.19	0.34
1545.00	862.00	64.19	35.81	1159.00	0.48
268.00	608.00	30.59	69.41	414.90	0.47
92.00	11.00	89.32	10.68	42.93	0.42
43.00	38.00	53.09	46.91	30.99	0.38
134.00	41.00	76.57	23.43	349.61	2.00
144.00	350.00	29.15	70.85	224.34	0.45
54.00	131.00	29.19	70.81	15.36	0.08

However regular employees form slightly over 50% of the total workforce. Given the paucity of data that is kept at the level of organization, we decided to have in-depth discussion with the HoDs of these organization. We then based on the managerial heuristics and the quantitative data available with us developed a model of estimation. Which was then fed back to different mangers with considerable work experience to check whether the numbers match their usual expectations. The base level data used of estimation is presented in Table 4.17.

From the table it is clear that different organizations having been managing the absence of adequate number of regular employees by hiring workers through labour contractors. While estimating we also make the following assumptions:

1. The milk union processes the same quantity of milk as it processes.

2. The milk union is under a state marketing federation and usually markets it produce in their area of operation only.

3. Security and unskilled manual work of loading and unloading is outsourced.

Table 4.18 Optimal human resources needed for different levels of procurement and processing

Procurement and processing of milk (Lakh liters/day)	capacity to handle milk per person (in Liters)	Critical Human Resources required
0.5	580	86
1	625	160
2	670	299
3	715	420
4	760	526
5	805	621
6	850	706
7	895	782
8	940	851
9	985	914
10	1030	971
15	1075	1395
20	1120	1786
25	1165	2146
30	1210	2479
35	1255	2789
40	1300	3077

Based on the above assumption we arrived at the heuristic based model which gave the optimal size of the workforce in a milk union. The results are presented in Table 4.18.

Gaps in Functionaries

During the course of our interviews it became apparent that the milk unions are able to get adequate number of technical staff but are not able to get properly trained dairy technologists who are the mainstay in terms of product development and running of the plants. Similarly, in some places where government recruits large number of veterinarians; the organizations fail to attract them because of the higher salary and security of government service. It was clear that most milk unions need competent dairy technologists and good leaders in sales position. Most unions have been filling this position by hiring local MBAs. However, this is a suboptimal solution. To nurture a good sales team the organization will require an experienced sales manager with FMCG experience. In many cases we came across organizations where Veterinarians were managing sales job without any training or aptitude. Similarly, Human Resources Management functions are handled by individuals who have no training of qualification to handle HR functions.

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CONCLUSIONS AND RECOMMENDATIONS

Chapter 5 - Conclusions and Recommendations

Human Resources functions in any organization revolve around supporting the line managers in discharging their jobs in the process of attaining business goals. There can be several alternative ways of carrying out HR functions in an organization. However, ultimately it has to emerge as the business partner in the organization. The real value of the HR function is realized when it operates to support the unique goals of dairy cooperatives or producers' organizations, which poses a unique challenge to the professionals. Though these organizations are supposed to be business organizations governed by strong business logic, they also provide service to dairy farmers as well. Human resources professionals often chose the appropriate methods into their daily activities translating into meaningful HR practices, which in turn develop stronger cultures and consequently stronger brands. Best practices in HR often incorporate certain unique features which are ordinarily shunned by the functional heads but get support from the top decision makers. While making recommendations we also draw upon the best practices in HR from across the world but tailored them in the context of Indian cooperative milk unions. The recommendations outlined here, based on our research, should not be construed as a readymade solution to all problems or challenges faced by the milk unions rather should be taken as techniques which may lead to higher levels of employee engagement and creating a culture of excellence supporting the core values of the milk unions and the business goals of these organizations.

5.1 Staffing Issues

As seen from the discussion in the results section, most of these organizations while growing at a very fast pace in terms of business have the problem of depleting staff strength. In fact, through most of our discussions and the data we gathered, most of these organizations will be bereft of senior staff by 2020. There is no planning within the individual milk unions as to how these gaps will be filled. Most of the milk unions operate under the guidance of the state government and in many places the onus of appointing staff rests with the federation, which is often guided by the recruitment and selection rules of the state government. The strange paradox is that the state government departments are administrative bodies and may have nothing to do

with the business of the poor. However, in these organizations political and administrative concerns outweigh the business concerns and, thus, recruitment of staff does not take place. It seems that in most states the consideration that applies to recruitment and selection of administrative and clerical staff (who are generalists) is the same for selection of staff for business organization raising doubts. Similarly, there has been misplaced recruitment done centrally and the organization lands up with reluctant or misfit employees. However, we also observed that the individual milk unions may not have the right talent mix to make decisions regarding recruitment or will be too vulnerable to local pressures in making recruitment decisions. Based on the aforementioned argument we suggest the following:

1. An independent professional body (in the lines of IBPS), outside the government, maybe created which can assess the HR needs of different milk unions at different points in time and conduct recruitment and selection on behalf on these organizations. They will test the candidates in terms of appropriate knowledge, skills, attitude, and understanding of local language and culture. This can be for all levels except for the lowest levels of manual workers. One of the reasons for recommending this is that in many unions, which have independence in recruiting their own staff; because of their limited ability to select the right candidate often cut corners in the process. Secondly, because of the nearness of the political leadership of the unions to their constituencies they may also inadvertently make a wrong decision because of extraneous factors. A professional body of national character may not come under such local influence and will be able to garner greater resources that are essential for professional recruitment agencies.

2. Most organizations are still at a very basic level in leveraging ICT capability in managing human resources. With ICT enablement and technological up-gradation, the organizations may reduce their dependence on low-level manual work and many jobs can be combined. One of the reasons the cooperative milk unions are not able to attract competent staff is its inability to provide the right ecosystem for professionals. Today's professionals would like to have work environment where decisions are quick and backed by data. This is possible only when the organization has the right ICT backbone and is able to leverage its potential. None

of the milk unions we have visited have the right ICT backbone and a proper human resources information system.

3. Service conditions is an issue with most of these organizations. These organizations have vacillated between the two alternatives i.e., (a) permanent employment as in the government job, or (b) a very short-term contract job. In the results section, we have discussed the pitfalls of the short-term contract job or employment in a responsible position through the labour contractor. These organizations should shift from either of these two modes and could opt for long-term contractual appointments (of 3-5 or even more years). The long-term contract will bring in the motivation for the employee to invest in the job and the organization's motivation to develop knowledge and skills in the employee.

4. It is envisaged that many organizations, small and big, will adopt Enterprise Resource Planning (ERP) in near future. Adoption of ERP, a family of business process management software, will help the organization to automate many processes and streamline many others, which will essentially help the organization to shed off many clerical and manual processes. Similarly, by using automated processes many areas of production and operations can reduce dependence on manual labour. Incidentally, we found that many organizations are employing separate data entry operators to transfer data from manual records to the system. All employees should get IT training and so that they can capture data electronically and do away with the extra layer of data entry operators.

5. There is a need to bring about cultural change in these organizations. The culture has to move from dependency on attendants and assistants to competent professionals who do their own job and at the same time are not hesitant to do self-service like undertaking organizational chores related to work. For example, officers should be taking photocopy of materials on their own rather than depending on an assistant. The culture should be of self-reliance. Organization should be hiring more professionals and should stop recruiting generalists.

5.2 Organization of the HR department

It is imperative that all organizations should have a human resources department. In small organizations, the HR department may be small in size of not more than two professionals but in the large organizations, more skilled and experienced HR professionals are required. In most organizations, the HR role is only limited to administration and Industrial relations aspects. This is largely because there is lack of competent HR professional in the organizations.

The head of the Human Resources should report directly to the Managing Director or CEO of the organization.

5.3 On-boarding - induction and organizational socialization

All the milk unions are highly mission-oriented organization and have distinct values. Therefore, it is imperative that there is a strong onboarding system in place where the new recruits are not only familiarized with their work, organizational rules and policies but also with the culture and values of the organization. Talking to senior staff members, we learned about the lowering of highly cherished values of cooperation as well.

Every organization should have a personnel manual and one handbook which talks about the values and principles on which the organization was founded and should be given to each employee when they join the organization. The HR department should develop a New Employee Orientation Checklist that can be used during the on-boarding programme.

5.4 Performance Management

Most organizations we studied do not have any form of scientifically developed performance management system. Mostly they have a confidential report (drawn from the colonial era) which neither helps the individual to know his or her strengths or weaknesses nor it helps the organization manage its resources properly. We recommend the following:

1. Establishing Performance Standards by selecting relevant indicators for each job position within the organization, specify the goals and targets, and communicate the expectations to the employees. The HR department of the organization has to continuously refine the measurement systems, develop a database on employees with reference to their performance. The performance measurement should be a continuous process and not just an annual exercise. Effort should be made to capture the employee efforts through the ICT system.

2. A good performance Management system will result in the quality improvement process, where the top management and the board may decide on a performance-linked incentive or pay system. In this system, the staff will be continuously appraised about progress. At present only a few organizations have implemented some sort of incentive system.

3. Organizations which have not implemented a performance-linked incentive system have implemented the respective state government pay system. However, in this system, there is no incentive for high performance and no disincentive for low performance leading to the building up of inefficiency in the system.

4. Performance management system should be based on strong scientific theory. It should be based on, as much as possible; an objective criterion of performance developed a priori in mutual consultation with the role holder. In cases where objective criteria of performance is not possible, attempt should be made to have a broad based inputs on performance from several sources who have a stake on the focal person's performance - in short, the organization should think of a moderated 360 degree feedback system in the organization.

5.5 Career Progression/ rewards and recognition

1. One of the reasons for strong apathy among the existing staff is the lack of career progression in many of these organizations. There has to be a career path progression contingent on task performance and goal attainment. There are no clear goals or targets

for the staff in many organizations. In some organization, the goals are fixed but the attainment of goals or exceeding the target has no consequent reward.

2. It is suggested that the HR professionals along with the line managers and other employees decide to develop their own career progression chart. Employees should be encouraged to prepare their career progression plan with the help of their managers.

5.6 Training, Mentoring, and Coaching

Training is an integral part of the growth and development of an organization. Our results suggest that training is not a major part of the HR engagement in organizations. In many cases, the technical staff do get training when a new machine is bought or installed. In some organizations, few training on quality management is held. Many staff, in responsible positions, have not received any managerial training or any specialized training in their own field. Based on our study, we make the following recommendations for training.

1. Training for technical competency and skill upgradation.

2. Managerial training in all functional areas should be mandatory for any person elevated to the rank of officer.

3. Every employee should get a chance to update knowledge and skills at least once in five years. For higher level, functionaries above supervisory levels should get training at least once in three years. Officers level staff should get training not only in their chosen area of expertise but also in other functional areas of management such as 'finance for non-finance, or 'HR for non-HR'.

HR Sensitization workshop for decision makers

To meet the objective of sensitizing the Decision makers in MUs to the criticality of HR issues in organizations, a one day workshop titled "Strengthening HRD & M in Dairy Coops/Producer Institutions" was facilitated by IRMA study team on January 21, 2019.

Workshop saw participation of CEOs, Managing Directors and General Managers of the MUs to learn about the findings of the study. In the presentation, study team emphasised that most of the organizations did not have recruitment for a long time. Consequently, either they are suffering from depleted staff or are saddled with a very ageing employees. There is also a growing tendency among milk unions to have more number of employees on short-term contract in certain critical functional areas. Barring a few HODs, most of them have their visions restricted to their skills/departments. For decision makers, it is important to anticipate gaps in employee development and how to bridge the same. Findings also suggested that there are some milk unions where clerical staff holds key positions. And this is not a stop-gap arrangement. They are either holding additional charge as head, HR or are permanently given that position. In the workshop, importance of role of reward system was also highlighted. Decision makers present in the workshop displayed resolve to implement the HR system in their organizations and also raised key discussion points around buy-in of the top management and section heads besides employees and workers on contract.

The concern of ageing and retiring workforce requires succession planning which is missing in almost all the sample unions. Formal approach to succession planning and performance management is going to be a key going into hypercompetitive future of dairy industry. Workshop also included expert session from leaders in both industry and academia making presentations on importance of HR systems in organizational growth and productivity.

Assumptions and Limitations of the study

Assumptions

All scientific research studies are conducted with some assumption. These assumptions act both as criteria and constraints for the study. Following assumptions have been made for the purposes of this study.

1. An open systems view is used to examine the extent to which human resource systems and processes have an impact on organizational outcomes such as milk handling, the processing capacity of the milk union and turnover.

2. The personnel looking after human resource functions completing the survey understood and followed the instructions for completing the survey.

3. The respondents (supervisors and the workers) completed the survey honestly and to the best of their ability.

4. Respondents' opinions reflect reality.

5. Measures of the dependent variable are accurate.

6. Face to face interviews assumed that participants are always able to describe their reactions to the phenomenon studied.

Limitations

The results of the study indicate that progressive human resource systems and practices are not present in most of the milk unions. Study results also indicate the insufficient existing mechanisms in dairy cooperatives to address the critical HR gaps. Like any scientific study, it is important to note some of the limitations of the study. There are limitations to survey research in any mode. Four sources of survey error were identified in the research (a) sampling error (b) coverage error (c) measurement error and (d) non-response error. Sampling error is the result of surveying only some, and not all, elements of a survey population. The sampling error was addressed by selecting participants in a random and stratified method. Coverage error is the result of not allowing all members of the survey population to have an equal chance of being samples for participation in the survey. Thus, coverage error may result when some units within a population have no chance of selection, others have multiple chances, and others may not even qualify for the survey. It is then reduced if each member of a defined population is given a chance of being surveyed and the researcher achieves a high response rate. Coverage error is of little concern if researchers have access to all the employees of their population of interest, as we do in this study. Measurement error is a result of poor question wording or presentation that results in inaccurate or uninterpretable answers. One possible source of measurement error in this study results from using multiple copies of a questionnaire which might have different content. Measurement error can usually be controlled through careful design of questions, questionnaires,

and implementation of the data collection methods. Non-response error results when the people who respond to a survey are different from the people who did not respond to the survey in some way that is relevant to the study.

To mitigate non-response bias, researchers paid careful attention to survey design and followed a strong implementation method using multiple contacts with survey respondents.

Some other limitations of the study included:

1. The data was collected through the distribution and collection of a survey and thus was limited to responses provided by the respondents.

2. The responses to the survey items were subject to personal biases and perceptions of the respondents and the motivations of the respondents are unknown.

3. The study presumed that meaningful statistical analyses can be made from a response rate of less than 100 percent of those surveyed.

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ANNEXURES

Annexure - 1: EIA Survey Questionnaire (General Information)

1.1 Name of the Organization:	
1.2 Name of the MD/GM and date of Joining of the MD/GM	
1.3 Complete Postal Address	
2.1 Date of incorporation :	
2.2 Total paid up equity capital (Rs.) :	
2.3 Total installed capacity (ltrs/day) :	
2.4 Number of plant sites under the union	
2.5 Number of Chilling Centers	

2.6 Major Products (Please tick) for consumer markets	6. Lassi	12. Yogurt
1. Pasteurized Milk	7. Indian Sweets	13. Buttermilk
2. Skimmed Milk Powder	8. Cheese	14.Baby Food
3. Ghee	9. Ice Cream	15. Condensed Milk
4. Butter	10. Chocolate	16. Any other (specify)
5. Dahi	11. Curd	

3.0 Last four years' records on following items:

#	Description	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
3.1	Total farmer members				
3.2	Total number of dairy societies				
3.3	Average daily procurement (ltrs)				
3.4	Annual Turnover (Rs.) (in lakhs)				
3.5	Profit/Loss (Rs.) (in lakhs)				
3.6	Total payment made to farmers (Rs.) (in lakhs)				
3.7	Total no. of Employees on Rolls				
3.8	Total no. of employees on Contract				
3.9	Total no. of Supervisory Staff				
3.10	Total no. of Officers/managers				
3.11	Total no. of skilled employees				
3.12	Total no. of unskilled employees				
3.13	Total no. of clerical staff				
3.14	No. of supervisory staff on contract				
3.15	No. of officers/managers of contract				
3.16	Employee related expenditure (ERE) (inclusive of incentives, etc)				
3.17	ERE – Performance Linked Incentive paid to employees				
3.18	Contractor bill (for labour)				

Annexure - 2: HR Systems / Functions Checklist

Respondent Set: Representatives shouldering HR/personnel/admin responsibilities in the EIA

Please put a check mark (√) against the function highlighted in the bold if function is present in the EIA. Sub-functions under the function highlighted in bold can be checked if these are specifically present.

Name of the Respondent: _____

Designation   :_____

Name of EIA/Milk Union: _____

1. Organizational structure and reporting relationships

Add organizational Chart

2. Number of departments within the organization: (Get a list of department-wise staff with the job titles)

(list all the departments here)

Name of the Department	Title of the Department Head	Name of the Department Head

3. Which department is responsible for employee matters (recruitment, selection, payroll, performance appraisal, training, etc.)?

_____

_____

_____

4. Is there any HR department? If yes, mention the structure, roles (of key personnel) and the responsibilities of the department.

_____

_____

_____

_____

5. Are there any HR goals? If yes, Specify:

_____

_____

_____

6. Here are few items related to the Human Resource Management System in your organization. (Please tick the appropriate box)

Statements	YES	NO	NA
1. Are workweeks identified and defined?			
2. Are shifts defined?			
3. Is there direct communication between HR and other departments?			
4. Do other departments directly communicate with HR department?			
5. Is there any written HR handbook/employee manual?			
6. If yes, is it given to all employees?			
7. Do job descriptions exist for all jobs?			
8. Are job descriptions up to date?			
9. Is there any promotion policy?			
10. Do you have standard guidelines for recruitment and selection?			
11. Are selection processes held in accordance to the guidelines?			
12. Are all applicants required to fill out and sign an application form?			
13. Do employee orientations take place?			
14. Is there an employee orientation plan?			
15. Are employees trained on policies and work rules?			
16. Are compensation levels monitored and reviewed?			
17. Is working time documented?			
18. Do you have leave rules?			
19. Do you have casual leave?			
20. Do you communicate salary structure to all employees?			
21. Are employees informed about their benefits (e.g., PF, etc.)?			
22. Is there a system for performance evaluation?			
23. Does the system check for the effectiveness of the evaluation?			
24. Is the quality and quantity of work evaluated?			

25. Is performance tied to compensation?			
26. Are workplace policies flexible?			
27. Are there disciplinary actions for violating workplace policies? Statements			
28. Is there a process for employees to lodge complaints?			
29. Are safety hazards reported to appropriate personnel?			
30. Are workplace accidents reported and investigated?			
31. Do you have enough security here?			
32. Is bright, effective lighting installed indoors and outdoors?			
33. Are the factory premises and office space well maintained (e.g., clean)?			
34. Are employees encouraged to promptly report accidents?			
35. Are employees encouraged to make suggestions for safety?			
36. Are injuries/incidents investigated?			
37. Is follow-up remediation performed where appropriate?			
38. Are employees' workers files kept secure?			
39. Do you provide medical insurance coverage to your employees?			
40. Is the workplace environment maintained with safety in mind?			
41. Do you have a process of internal recruitment?			
42. Do you have a system of training needs assessment?			
43. Do you communicate training opportunities to your employees?			
44. Do you measure training effectiveness?			
45. Do you set performance goals for employees?			
46. Do you conduct performance appraisal interview?			
47. Do you work out an individual development plan?			
48. Do you base your salary structure on salary surveys?			
49. Do you have superannuation plan?			
50. Do you have performance based incentives?			
51. Do you have employee counselling?			
52. Do you have standing orders/ Employee handbook?			
53. Do you have any additional employee welfare benefits?			

54. Do you have an employee grievance handling committee			
55. Do you have maternity benefits in accordance with law?			
56. Do you have paternity leave in accordance with the law?			
57. Do you have a system of counselling a distressed employee?			
58. Are personnel files updated regularly?			
59. Are all posters and notices displayed in a common area?			
60. Does the organization have promotion policy?			
61. Do you carry out potential appraisal of its employees?			
62. Does the organization have succession planning system in place?			
63. Is training needs assessment carried out in your organization?			
64. Do you have computerized Human Resource Information System?			
65. Is it easy to get the employee data on training attended?			
66. Is it easy to get employee data on type of training attended?			
67. Is it possible to create a way that newly acquired skills can be used?			
68. Are statutory obligations met?			
69. Do exit interviews take place?			
70. Are final paychecks provided on time?			

Annexure - 3: HR Climate Survey

Please take a few minutes to complete this survey. Your specific answers will be completely anonymous, but your views, in combination with those of others, are extremely important for the purpose of this study.

PART A: BASIC PROFILE

1. Your Name (Optional) :_____

2. Job title : _____

3. Name of the Department : _____

4. Name of the Milk Union : _____

5. Education Qualification : _____

6. Educational Major or Specialization : _____

Please answer the following questions by placing a tick mark (√) in the appropriate box.

7. How long have you worked in this job?

Less than 1 Year	1-3 Years	3-5 Year	5-10 Years	More than 10 Years

8. How many years in total have you been employed at this workplace? (by 'workplace' we mean the site or location at, or from which, you work)

Less than 1 Year	1-3 Years	3-5 Year	5-10 Years	More than 10 Years

9. Age

20-25 Years	25-30 Years	30-35 Years	35-40 Years	40-45 Years	45-50 Years	50-55 Years	55-60 Years	Above 60

10. Which of the following best describes your role in the organization?

First-level supervisor ☐

Manager/supervisor higher than first level (including senior management positions) ☐

Not a manager or supervisor ☐

PART B: ORGANIZATION HR CLIMATE

Given below are some statements. Please read each of them carefully and judge how true or false each statement is for you, select the number of your choice as given below, and please put a tick mark under the selected number next to each item.

To a very large extent   To a large extent   To some extent   To a little extent Not at all

5   4   3   2   1

S. No	Statements	1	2	3	4	5
1	The efforts of the management is to utilize the services and potentials of all employees for the development of the organization.					
2	The reward system instituted by the organization encourages us to put in more efforts and present a better performance.					
3	The appraisal process helps the employees to known our efforts and potentials					
4	The training programme of our organization help us to know our hidden talents and thus let us known our capabilities and potentials					
5	Seniors often help us in sorting out our personal problems					
6	In this organization we have an impartial system of performance evaluation of employees					
7	The policies of this organization are such that they are favorable for the employees to move ahead smoothly and adjust to new position comfortably					
8	Our organization helps us to familiarize ourselves to the challenges and tasks of the next higher position					
9	The management is making sincere effort to develop the organization in all aspects					
10	In our organization we are given a chance to present our ideas and same is given due weightage in decision making					
11	Our organization tries its level best to pass on the information regarding the potentials of an individual					

	employee to her/him and also to his supervisors					
12	The efforts to implement the effects of conclusions of training programmes in our work situation is supported and encouraged by our organization					
13	We have a say in the path of management decision for organizational growth					
14	We are exposed to the challenges and setbacks of the position above as so that we get accustomed to those situations prior to our elevation to those positions					
15	The management of our organization calls for active participation of the employees in the day to day functioning of the organization					
16	The training programmes formulated by our organization are in tune with the needs and requirements of employees here					
17	Our organization helps us in all possible ways to know our abilities, our capabilities, our present performance, prospects for improvement, etc.					
18	The top and middle management tries to lead the training session be a breeding ground for narrowing the gap between the management and the employees					
19	The training programmes of our organization are such that they help us to give some information and at the same time receive solution for our problems					
20	Our seniors help us to solve our personal problems through warm and friendly talks or session that sometimes may extend beyond the office hours					
21	The training programme are finalized in such a way that we get an opportunity to present our problems before the trainers and thus try to solve our misunderstandings or difficulties					
22	Each and every employee is given a chance to suggest his opinion on how to develop the organization					
23	In this organization there is a definite career plan for the employees					
24	Our organization tries to make the job more challenging which prevents us from getting bored on the job					
25	Training programmes in this organization are well thought of and are planned as per the needs of the individual employees as well as the organization					
26	The reward system in this organization encourages employees to reach better heights in their performance on the job					
27	The reward system here ensures social status and recognition and thus helps					

Annexure - 3A: HR Climate Survey

Please take a few minutes to complete this survey. Your specific answers will be completely anonymous, but your views, in combination with those of others, are extremely important for the purpose of this study.

PART A: BASIC PROFILE

1. Your Name (Optional)   :_____

2. Job title   : _____

3. Name of the Department   : _____

4. Name of the Milk Union   : _____

5. Education Qualification   : _____

6. Educational Major or Specialization   : _____

Please answer the following questions by placing a tick mark (√) in the appropriate box.

7. How long have you worked in this job?

Less than 1 Year	1-3 Years	3-5 Year	5-10 Years	More than 10 Years

8. How many years in total have you been employed at this workplace? (by 'workplace' we mean the site or location at, or from which, you work)

Less than 1 Year	1-3 Years	3-5 Year	5-10 Years	More than 10 Years

9. Age

20-25 Years	25-30 Years	30-35 Years	35-40 Years	40-45 Years	45-50 Years	50-55 Years	55-60 Years	Above 60

10. Which of the following best describes your role in the organization?

First-level supervisor ☐

Manager/supervisor higher than first level (including senior management positions) ☐

Not a manager or supervisor ☐

PART B: ORGANIZATION HR CLIMATE

Given below are some statements. Please read each of them carefully and judge how true or false each statement is for you, select the number of your choice as given below, and please put a tick mark under the selected number next to each item.

1- Not at all True	2- Rarely True	3- Sometimes True	4- Mostly True	5- Almost always True

S.No	Statements	1	2	3	4	5
1	The top management believes that human resources are an extremely important resource and that they have to be treated more humanly					
2	People in this organization are helpful to each other					
3	When any employee makes a mistake his supervisors treat it with understanding and help him to learn from such mistakes rather than punishing him or discouraging him.					
4	Employees are not afraid to express or discuss their feelings with their superiors					
5	The psychological climate in this organization is very conducive to any employee interested in developing himself by acquiring new knowledge and skills.					
6	Weaknesses of employees are communicated to them in a nonthreatening way					
7	Employees are encouraged to take initiative and do things on their own without having to wait for instructions from supervisors.					
8	When seniors delegate authority to juniors, the juniors use it as an opportunity for development.					
9	People trust each other in this organization					
10	Employees are encouraged to experiment with new methods and try out creative ideas.					
11	Employees are not afraid to express or discuss their feelings with their subordinates.					
12	Employees in this organization are very informal and do not hesitate to					

	discuss their personal problems with their supervisors.					
13	Team spirit is of high order in this organization					
14	When an employee does good work his supervising officers take special care to appreciate it					
15	The top management is willing to invest a considerable part of their time and other resources to ensure the development of employees					
16	Employees are sponsored for training programmes on the basis of genuine training needs.					
17	Senior officers/executives in this organization take active interest in their juniors and help them learn their job.					
18	Delegation of authority to encourage juniors to develop handling higher responsibilities is quite common in this organization.					

19	Development of the subordinates is seen as an important part of their job by the managers/officers here.					
20	When problems arise people discuss these problems openly and try to solve them rather than keep accusing each other behind the back					
21	Seniors guide their juniors and prepare them for future responsibilities/ roles they are likely to take up					
22	This organization ensures employee welfare to such an extent that the employees can save a lot of their mental energy for work purpose.					
23	People lacking competence in doing their jobs are helped to acquire competence rather than being left unattended.					
24	Managers in this organization believe that employee behavior can be changed and people can be developed at any stage of their life					
25	Performance appraisal reports in our organization are based on objective assessment and adequate information and not on favoritism					
26	When employees are sponsored for training, they take it seriously and try to learn from the programmes they attend.					
27	The top management of this organization goes out of its way to make sure that employees enjoy their work					
28	The organization's future plans are made known to the managerial staff to help them develop their juniors and prepare them for future.					
29	The personnel policies in this organization facilitate employee development.					
30	Employees returning from training programmes are given opportunities to try out what they have learnt					
31	Promotion decisions are based on the suitability of the promotee rather than on favoritism					
32	The top management of this organization makes efforts to identify and utilize the potential of the employees.					
33	When behavior feedback is given to employees they take it seriously and use it for development					

34	There are mechanism in this organization to reward any good work done or any contribution made by employees					
35	Employees in this organization take pains to find out their strengths and weaknesses from their supervising officers or colleagues.					
36	People in this organization do not have any fixed mental impressions about each other.					
37	Career opportunities are pointed out to juniors by senior officers in the organization.					
38	Job-rotation in this organization facilitates employee development					

Annexure - 4: FGD with Employees of EIA

(To be conducted with a group of at least 10 employees in the EIA)

A. Team Information

Facilitator	Note-taker
Name:	Name:
FGD Place & Time	Date

B. EIA Information

1. Name of the EIA:	
2. District	3. State
4. Region: Western/ Southern/ Northern/ Eastern	5. Category: Small/Medium/Large

C. FGD Participant Profile

No.	Name	Designation	Gender (M/F)	Nature of Employment (R/C)	Tenure in Current role	Total Experience in the EIA
1						
2						
3						
4						
5						
6						
7						
8						

Annexure - 5: HRM Practices

Name of the organization : _____

Designation of the executive : _____

Gender: Male / Female

Age (Please tick the appropriate box adjacent to the age range)

20-25 Years		25-30 Years		30-35 Years		35-40 Years		40-45 Years		45-50 Years		50-55 Years		55-60 Years		Above 60	

A.   Here are some statements regarding your organization's HR related practices. Please indicate the extent to which you agree with the statements. Please use the following scale to indicate your choice.

Completely Disagree	Disagree	Neither Agree nor Disagree	Agree	Completely Agree
1	2	3	4	5

Statements	scale
1. HR executives in your organization are fully aware of the business needs and strategies.	
2. Efforts are made to create awareness among employees on the organization's financial position.	
3. Efforts are made to create awareness among employees on the customers' needs.	
4. Efforts are made to create awareness among employees on the quality of product/service	
5. Efforts are made to create awareness among employees on the organization's cost structure.	
6. Organization's human resource requirements are systematically ascertained.	
7. An appropriate HR plan is formulated for satisfying the business requirements.	
8. All major jobs are subject to formal job analysis.	

B.   Here are some statements related to the preferences that your organization have for certain activities over other or certain method of conducting its activities.
Please use the following scale to indicate your preferences.

Not Preferred at all	Rarely Preferred	Somewhat Preferred	Preferred	Most preferred
1	2	3	4	5

	Statements	scale
1.	Print advertisements as source of recruitment.	
1.	Internet/career sites as source of recruitment.	
2.	Placement agencies/Consultants as source of recruitment.	
3.	Campus placement as source of recruitment.	
4.	Employee referrals as source of recruitment.	
5.	Appointment as permanent employee	
6.	Appointment as long-term contractual employee	
7.	Appointment as short-term contractual employee	
8.	Appointment as part-time employee	
9.	Appointment through labour contractor	
10.	Innovation and creativity among employees	
11.	Efficiency in terms of quantity irrespective of quality	
12.	Performance tests for selection of candidates (supervisory level and above).	
13.	Psychological tests for selection of candidates (supervisory level and above).	
14.	Written tests on subject matter for selection of candidates.	
15.	Interview by experts (external) for supervisory level and above.	
16.	Interview by internal managers for supervisory level and above.	
17.	Objective of the induction programme is to enhance retention	
18.	Objective of the induction programme is to clarifying organizational values	
19.	Objective of the induction programme is to help the employee settle down.	
20.	Objective of the induction programme is to increase employee commitment.	
21.	Objective of the induction programme is to maintain tradition/ritual	
22.	Objective of the induction programme is to maintain tradition/ritual.	

C.   Please indicate your option for each of the following types of employee training provided by the organization on a scale of 1(never provided) to 5(provided on most of the occasions):

Training Programmes	Scale	Training Programmes	Scale
1. Supervisory/Management skills		2. Career planning/personal growth	
3. Communication skills		4. Employee motivation	
5. Technical/Knowledge skills		6. Data processing/IT	
7. New equipment/method		8. Team building	
9. Safety		10. Time management	
11. Productivity enhancement		12. Outplacement/retirement	
13. Customer service		14. Health promotion	
15. Product knowledge		16. Organization development	

D. Indicate to what extent the following are true in your organization. Use the following scale to mark your response.

To a very large extent   To a large extent   To some extent   To a little extent   Not at all

5	4	3	2	1

Statements	Scale
1. To evaluate training efficacy the employee's reaction is measured	
2. To evaluate training efficacy the knowledge acquired is measured.	
3. To evaluate training efficacy the behavioural changes are measured.	
4. Most training programmes here have a long-term focus	
5. Most training programmes here have a short-term focus	
6. Most training programmes are task oriented.	
7. Most training programmes are need based.	
8. Most training programmes are driven by business goals.	
9. Performance standards are developed on the basis of employees' opinion.	
10 Performance appraisal system is extended to all members of the organization.	
11 Performance appraisal is individual-based.	
12 Performance appraisal is group/team based.	
13 Organization has adopted 360 degree feedback system.	
14 Behaviour-oriented rating methods are used in this organization	
15 Result-oriented rating methods are used in this organization.	

E. Indicate to what extent the following are true in your organization. Use the following scale to indicate your response.

To a very large extent	To a large extent	To some extent	To a little extent	Not at all
5	4	3	2	1

Statements	Scale
1. Performance appraisal is primarily used for human resource planning.	
2. Performance appraisal is primarily used for employee development.	
3. Performance appraisal is primarily used for determining reward/compensation.	
4. Performance appraisal is primarily used for Enhancing motivation.	
5. Immediate supervisor is primarily responsible for performance appraisal.	
6. Subordinates are involved in performance appraisal of their superiors.	
7. Peers are involved in performance appraisal of their colleagues.	
8. Self-appraisal is done in my organization.	
9. Customers are involved in the appraisal process.	
10. The organization has a formal policy of career planning and development.	
11. Every employee has opportunity for promotion.	
12. It is quite difficult to dismiss a permanent employee from the organization.	
13. Follows a formal process of potential appraisal.	
14. Utilizes assessment centers to identify employee potential.	
15. Carries out succession planning for key managerial positions.	
16. Delegation of authority and responsibility to individuals at the lower levels.	
17. Focuses on employee engagement programmmes.	
18. Job rotation is done regularly in the organization.	
19. Rewards are usually given based on seniority.	
20. Rewards are largely based on job performance.	
21. Employees receive a share of profit as incentive for their performance.	
22. The organization's pay is above the market rate.	
23. The organization's pay is equal to the market rate.	
24. The organization's pay is below the market rate.	
25. The organization tries to maintain internal equity.	
26. The compensation has the ability to attract employees.	
27. The compensation is good for employee retention.	
28. The organization carries out employee attitude/employee satisfaction surveys.	
29. The organization encourages employees to make suggestions for improvement.	
30. The organization has integrated HR issues with the business strategies.	