HR RISK MANAGEMENT IN CO-OPERATIVE SECTOR MILK PROCESSING ORGANISATIONS IN WESTERN MAHARASHTRA WITH SPECIAL REFERENCE TO HUMAN RESOURCE DEVELOPMENT PRACTICES

SAMBHAJI V. MANE

School of Management, Swami Ramanand Teerth Marathwada University, Sub-Centre, Peth, Latur, MS, India
*Corresponding author. E-mail: dr_svmane@rediffmail.com

Abstract- HR risk in cooperative sector milk processing organisations in western Maharashtra is comparatively higher than that of private sector. It can be minimized by using effective HRD techniques as well as by developing workforce. However, existing HRD practices in cooperative sector milk processing organizations in Western Maharashtra are very poor and strongly needs to be developed by implementing on scientific line. The recommended HRD model would give better results to cooperative sector milk processing organizations in strengthening the HRD practices and minimizing the HR risk.

Introduction

Cooperative sector is one of the emerging sectors in India followed by private and public sector. It is totally based on the philosophy of cooperation. Board of Directors elected by share holder has thumbing role in the management of dairy cooperatives. Hence management of cooperatives always not happens as per the expected way. Though it is so, cooperatives have brought revolution in western Maharashtra. Many dairy cooperatives are exporting milk products to foreign countries. However, management of dairy cooperatives if developed workforce through effective HRD technique with calculated HR risk, the dairy cooperatives would recover today's loss in profit margin.

Realizing the nutritional importance of milk in the dietary regimen, the consumption of milk and milk products is increasing day by day. India is emerging as a leading supplier of milk and milk products in the world market. In 2008-09 the total milk production in India was 108.5 million tones and per capita availability of milk was 258 gms/day.1 "With 185.2 million cattle and 97.9 million buffaloes, India has the largest population of milch animal in the world, they constitute more than 50 percent of the cattle in the world.2 Unlike other milk producing countries, 54 percent of India's milk comes from buffaloes, which is endowed with unique processing qualities. Buffalo Milk production is advantages to India, because buffalo milk is especially appropriate for commercially important dairy products such as Mozzarella cheese, Casein, Cream, Paneer, Khoa, etc."3 Indian dairy industries have to derive maximum benefits of the uniqueness and positive virtues of buffalo milk to obtain the competitive edge in the global dairy market. The increasing world production of milk has made the availability of milk and milk products much easier in most countries through imports. Most of the countries in Asian

and African continents are large importers of dairy products and therefore these regions are emerging as important dairy export markets. Realizing the nutritional importance of milk in the dietary regimen, the consumption of milk and milk products is increasing in these continents, which account for over 74 percent of the world human population. Thus, milk processing organizations from Private, Public and Cooperative sector in India have ample availability of raw milk and managing HR risk with scientific management of milk processing organizations, export of milk and milk products in India can be increased by too many folds.

Methodology Adopted

From cooperative sector of Western Maharashtra, researcher has selected eight milk-processing organizations- four each from Pune and Nashik region. In these milk-processing organizations, in total, 5132 employees were working, out of which 672 from managements' and 4,460 from employee's category. For the present study, 30% sample of the total employees i.e. 1,540 respondents have been selected, out of which 202 from managements' and 1,338 from employee's category. The analysis and interpretation of the collected data is as presented below

In Pune and Nashik region of Western Maharashtra, among the registered organizations in *cooperative* sector, 31 milk-processing organizations are actually functioning. Out of these, 8 organizations were incorporated in the sample of the present study- four each from Pune and Nashik region- by adopting following criteria as: equal number of organizations from both the region, only one organization from the district, well reputed organization, permission for research, organization with 5 years of registration, more than 30

employees, daily milk collection minimum of 5,000 lit. and plant handling capacity minimum of 20,000 lit/day.

The total number of workforce in these organizations was 5132; out of these 672 belonged to management staff and 4460 belonged to employee's category. As it was quite difficult to conduct the survey for all the workforce, 30% of both the category i.e. 202 management respondents and 1338 employee respondents, in total 1540 respondent workforce, were selected for the present study by adopting proportionate convenience sampling technique to accomplish the objectives of the study:

1. To examine HRD practices being followed in selected cooperative milk processing organizations under study and
2. To suggest remedial measures in order to enhance HR risk management and the quality of HRD practices.

Researcher collected primary data through survey method, discussions and interviews, non-participatory observation method and secondary data through documentary research method and unstructured interviews to justify the set hypothesis:

1. HRD has no role in the success of cooperative milk processing organizations.
2. HR risk management and the quality of HRD practices in cooperative sector milk processing organizations in Western Maharashtra are strong.

The geographical scope of the study covers the entire division of Western Maharashtra, the topical scope covers the evaluation of the on-going HRD practices, the analytical scope covers the fulfillment of the set objectives and the functional scope is confined to offering meaningful recommendations for improving the HRD practices of the organizations. However, the interview schedules used for collecting the primary data were neither designed to ascertain the respondents' biases nor to gauge the influence of these biases on the intensity of their responses. Again, the study has included urban and rural areas of Pune and Nashik region the spatio-temporal perceptions of individual employee's differ widely and have accordingly influences their responses.

Results and Discussions
The management respondents' interviewed is males, mostly 26-55 years old, with an average service of 6-25 years. They have mostly joined supervisor/officer level in their 20 to 25 years of age after completion of diploma, graduation / post graduation and no one of them are members of employee association. The employee respondents are 18 -55 years old, Diploma, H.S.C. and below qualified majority males with a veteran of average 5 to 25 years. They have invariably joined milk-processing organizations, as a worker and majority of them are members of employee association. The average personal profile of the respondents is presented in Table 1.1.

The opinions of both the respondents' group regarding HR risk management and existing HRD practices in milk processing organizations from cooperative sector in Western Maharashtra has been collected through "Five – Point Likert Scale with No Opinion" and interpret the data as given in Table No.1.2.

The HR risk management and HRD practices opinion survey data collected from the sample respondents (Management and Employees) of cooperative sector Western Maharashtra has been interpreted in above manner and presented in Table No.1.3.

Researcher has used the Kolmogorov – Smirnov's 'D' test, to test the set Hypothesis. Hypotheses: *1. HRD has no role in the success of cooperative milk processing organizations. 2. HR risk management and HRD practices in cooperative sector milk processing organizations in Western Maharashtra are strong.* The HR risk and HRD practices data collected from 1540 management and employee respondents from *cooperative sector milk processing organizations in* Western Maharashtra have been presented in worksheet for the Kolmogorov–Smirnov's 'D' test, to test the set hypothesis, as given in Table 1.4.

This is a procedure for single statement, similar procedures have been carried out for the remaining 130 statements of 21 HRD activities and likewise, the calculated values and critical values for 'D' have been developed. As the mean calculated D value 0.22923 exceeds the mean critical value of 0.034656 in cooperative sector of Western Maharashtra, the null hypothesis that hypotheses *1. HRD has no role in the success of cooperative milk processing organizations and 2. HR risk management and HRD practices in cooperative sector milk processing organizations in Western Maharashtra are strong*, are rejected. Hence, HRD has important role in the success of milk processing organizations and HR risk management and HRD practices in cooperative sector milk processing organizations in Western Maharashtra are weak.

On the basis of data presentation, analysis and interpretation and testing of hypothesis, following recommendations have been made for the *cooperative sector* milk processing organizations as:

HRD practices in co-operative sector milk processing organizations
In cooperative sector, the HR risk management and HRD practices namely, performance appraisal, Career planning and development, Training and Job evaluation are at a 'very poor' level; the HRD practices namely, Role analysis, Recruitment, Selection, Induction, Management development, Workers participation in management, Quality circles, Wages and salary administration and HRD concept are at a 'poor' level; and the HRD practices namely, Human Resource Planning, Placement, Organization Development and Change, Quality of work life, Employee counseling, grievance procedure and Team management are at a 'fair' level. The HRD practices namely Employee Benefits and Rewards are only at a 'good' level. Overall, a

2

worrying situation indeed! An enlightened organization would initiate immediate drastic HRD interventions to prevent the situation from deteriorating further. Researcher suggested *'Vishnu-Krishna'* model of HRD for each of these HRD activities practiced in co-operative sector milk processing organizations. The summarized from of the model is presented as:

1. Top management should evaluate the present level of HRD practices
2. Bring necessary structural and policy change in line with cooperative philosophy
3. Develop separate HRD department by appointing professionally sound HRD manager (preferably MBA -HR)to look after HRD practices
4. Encourage HRD manager about undertaking each HRD activity by providing concrete support within the philosophy of cooperatives
5. HRD manager should evaluate each HRD activity in line with the standard practice and bring out necessary change with top management consent.

6. Widely publicize each activity in the organization
7. Involve workforce every time by providing needed help to them
8. Practice the HRD activity continuously in the organization
9. Evaluate periodically and follow-up.

Conclusion
Overall, *HR risk management and* HRD practices in cooperative sector milk processing organizations in Western Maharashtra are judged on the basis of theoretical presentation and the analysis of the empirical data. Accordingly, it is concluded that in milk processing organizations in Western Maharashtra *HR risk management and* HRD practices are far away the standard and need to be improved as per the scientific way in order to sustain in today's global competition.

References
[1] http://www.nddb.org/statistics/milkproduction.html
[2] http://www.nddb.org/statistics/ Livestock population_india_species.html
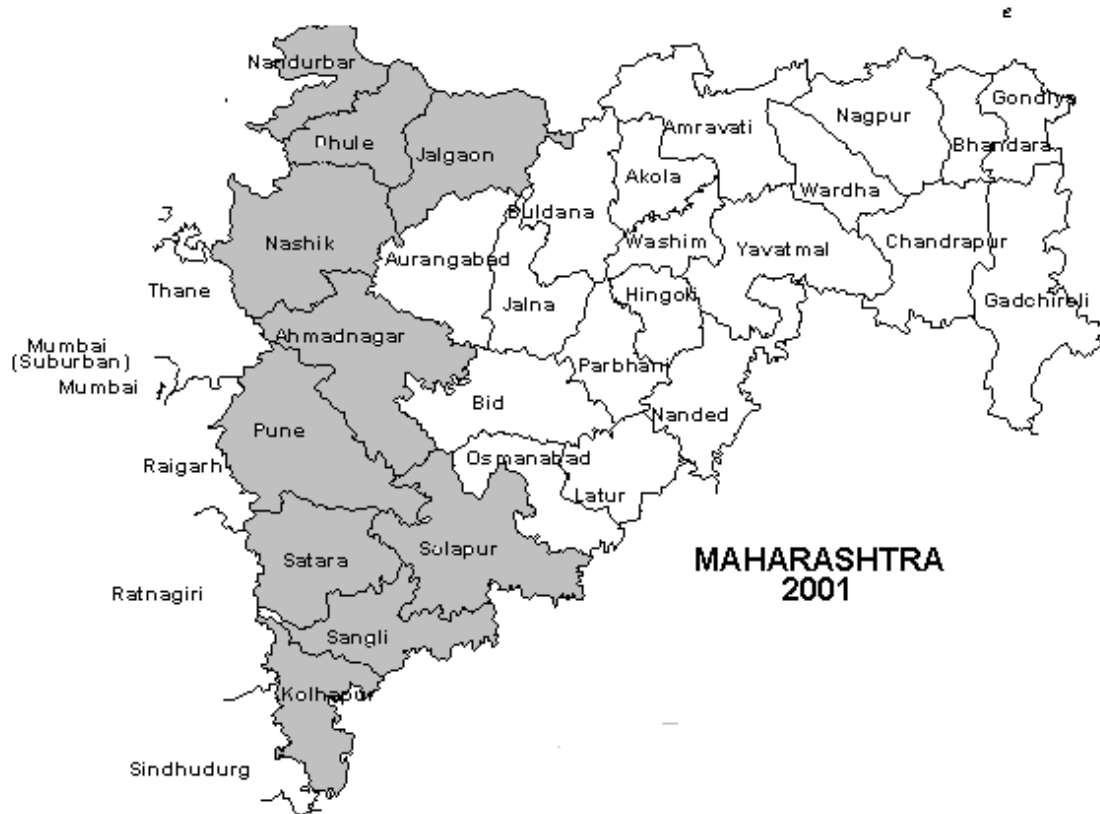[3] http://www.nddb.com/dairy cooperatives

Fig. 1- Pune and Nashik region of Western Maharashtra

Table No. 1.1 Average personal profile of the respondents:

Sr. No.	Respondents	Sex	Age Group	Service in years	Educational level	Employee Asso.Membership
1	Management	Male	36-45	11-15	Diploma(IDD)/Graduation	No
2	Employee	Male	36-45	16- 20	H.S.C. & below	Yes

Table No.1.2 Process of data interpretation of HR risk management and HRD Practices

| 1. Separate Human Resource Management department manage employees activities.
 Level of Agreement:

 1: Strongly Disagree,
 2: Disagree,
 3: Partly Disagree Partly Agree
 4: Agree,
 5: Strongly Agree,
 0: No Opinion. | 1　　2　　3　　4　　5　　0　　--　　Scale
 × 62 × 327 ×　353　× 438 × 143　× 15　= 1338　Respondents

 62　+ 654　+ 1059　+　1752　+ 715 + 0　　= 4242　Total Score

　　　　= 4242　Total Score / 1338　Respondents
　　　　= 3.17　Mean Score

 Highest possible Mean Score is 5.00　= 100 %
　　　　Hence　3.17　= **63.41 %** |

Mean scores above '4.5' (90.00%) indicate the respondents 'outstanding' rating of the HRD aspect; score between '4.5' and '4' (90.00-- 80.00%) indicate an 'excellent' opinion; '4' and '3.5' (80.00--70.00%) 'good'; '3.5' and '3' (70.00-- 60.00%) 'fair' opinion, implying that the particular HRD aspect may be improved through suitable methods and effort and between '3' and '2.5' (60.00-- 50.00%) 'poor' and 'Below 2.5' (Below 50.00%) 'very poor' opinion, indicating the need for a drastic intervention to bring about a change for the better.

Table No.1.3 HR risk management and HRD practices opinion survey data

HRD Practice	Management Respondents		Employee Respondents		Western Maharashtra Respondents	
	Average Mean Score	% Value	Average Mean Score	% Value	Average Mean Score	% Value
1.HRDConcept	2.8160	56.32	2.7993	55.99	2.80765	56.153
2.Role Analysis	2.9010	58.02	2.9036	58.07	2.9023	58.046
3.H. R. P.	3.2017	64.03	3.2216	64.43	3.21165	64.233
4.Recruitment	2.6551	53.10	2.8219	56.44	2.7385	54.77
5.Selection	2.6842	53.68	2.7294	54.59	2.7068	54.136
6.Placement	3.1386	62.77	3.3460	66.92	3.2423	64.846
7. Induction	2.5347	50.69	2.7435	54.87	2.6391	52.782
8. Perf. Appraisal	2.2719	45.44	2.4333	48.67	2.3526	47.052
9Career Planning	2.2045	44.09	2.3338	46.68	2.26915	45.383
10. Training	2.2193	44.39	2.3349	46.70	2.2771	45.542
11. Development	2.8119	56.24	2.9315	58.63	2.8717	57.434
12. Org. Develop. & Change	3.0479	60.96	3.1134	62.27	3.08065	61.613
13. W. P. M.	2.6624	53.25	2.8450	56.90	2.7537	55.074
14. Q. W. L.	3.3053	66.11	3.4641	69.28	3.3847	67.694
15. Quality Circle	2.6733	53.47	2.8784	57.57	2.77585	55.517
16Emp.Counseling	3.0594	61.19	3.5135	70.27	3.28645	65.729
17.Team Mgt.	3.3069	66.14	3.4063	68.13	3.3566	67.132
18. Job Evaluation	2.3505	47.01	2.3857	47.71	2.3681	47.362
19. Wages&Salary	2.9464	58.93	3.0445	60.89	2.99545	59.909
20.Emp. Benefits	3.4598	69.20	3.7010	74.02	3.5804	71.608
21. Rewards	3.5017	70.03	3.5912	71.82	3.54645	70.929
22.Grievance proc	3.1518	63.04	3.2434	64.868	3.1976	63.952

5

Table 1.4 Testing of hypothesis for the data collected from cooperative sector of Western Maharashtra

Degree of agreement	Scale	Observed Number	Observed Proportion	Observed Cumulative Proportion	Null Proportion	Null Cumulative Proportion	Absolute Differ-ence Observed and Null C. P.
1	2	3	4	5	6	7	8
			(3)/1539.99 970	Sum of (4)	= 1540 / (6 X 1540)	Sum of (6)	(5 – 7)
Strongly agree	5	165	0.10714	0.10714	0.166667	0.166667	-0.05952
Agree	4	501	0.325325	0.43247	0.166667	0.333333	0.099134
Partly agree and partly disagree	3	409	0.26558	0.6981	0.166667	0.5	0.198052
Disagree	2	385	0.25	0.9481	0.166667	0.666667	**0.281385**
Strongly disagree	1	65	0.04221	0.99026	0.166667	0.833333	0.156927
No opinion	0	15	0.00974	1	0.166667	1	0
		1540			* Calculated D value = 0.281385		
					* Critical D value =		0.034656
*1539.99970 (1540)	=	39.24283	X	39.24283			
* Kolmogorov –Smirnov's Critical 'D' value = (1.36 /√n) = 1.36 /39.24283 = 0.034656							
* n=no. of respondents							