



ORIGINAL RESEARCH PAPER

Commerce

A STUDY ON THE HUMAN RESOURCE MANAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY OF COOPERATIVE SPINNING MILLS IN KERALA.

KEY WORDS: HRM, CSR, TEXTFED, MCSM, CCSM, MALCOTEX, TCSM, ACSM, QCSM, PRICO, KKMCSM.

Anil. P.M

Research Scholar, Research & post graduate department of commerce and Management Studies, St. Joseph's college (Autonomous), Irinjalakuda, Thrissur, Kerala.

Dr. Philo Francis*

Associate professor and Head(Retired), Research & post graduate department of commerce and Management Studies, St. Joseph's college (Autonomous), Irinjalakuda, Thrissur, Kerala. *Corresponding Author

ABSTRACT

Mainly there are 8 co-operative spinning mills in Kerala having membership in TEXTFED(Kerala State Co-operative Textile Federation Limited), namely (1) The Malabar Co-operative Textiles Limited ,Kuttipuram(MALCOTEX), (2)Malappuram Co-operative Spinning Mill Limited ,Malappuram(MCSM), (3)Priyadharsini Co-operative spinning Mills Limited,kottayam(PRICO), (4)K. Karunakaran Memorial Co-operative Spinning Mills limited, Trichur(KKMCSM), (5) The Cannanore Co-operative Spinning Mills Limited, Kannur (CCSM),(6)Trichur Co-operative Spinning Mill Limited ,Trichur(TCSM),(7)The Quilon Co-operative Spinning Mills Limited ,Quilon(QCSM),(8)The Alleppey Co-operative Spinning Mills limited,,kayamkulam.(ACSM). Poor performance of these mills may be due to the bad Human Resources Management (HRM) practices prevailing in the organization and the lack of Corporate Social Responsibility (CSR) of their managements. The managements of these mills are generally governed by political parties having majority shares in the organization. The present study tries to explore the factors influencing the HRM and CSR of Co-operative Spinning Mills in Kerala .The relevance of this study is understanding whether improvement in the performance of business enterprises in Kerala is possible through the effective utilization of human resources and social responsibility of management.

INTRODUCTION.

The changing concepts about the management of industrial organization requires a new look at the concept of HRM. In past, human resource management gives importance to rise in the level of output or services with the same or reduced level of input as a result of better work methods and improved technology. It is however through the employees that the ultimate increase in production is achieved. Employee's performance is more important than equipment and raw materials .If they are not motivated to work harder, better, with sincerity, initiative and co-operation, no amount of sophisticated technology or improved work method is going to help. The work place and the treatment received from the managements affect the organizational climate. Employees what to be treated as if they are some one of value. Their needs and problems are to be carried by the management.

Corporate social responsibility refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society. The concept of corporate social responsibility is fundamentally an ethical one. It has new dimensions of social nature that have a direct connection with quality of life in society. It implies that business organizations have some obligations to the society in which they are part. They must deal with social problems and contribute something more than just economic goods and services.

The narrow self-seeking interest of profit maximization of the enterprises often led to significant harm to society as well as environment .This has been the catalyst in the emergence of diversity of stakeholders demanding accountability about the impact of corporate activity in the life of the planet as a whole. Business plays a significant role in economic, social, political and technological affairs. So business owes responsibility to all segments of society. The relationship between business and its environment is one of mutual benefits, both take from and give to various segments. Only through such a relationship can a business survive and prosper.

Co-operative form of business organizations fundamentally differs from other business organizations. Their basic objective is service rather than profit. Their main features like equal voting rights, democratic management, service motto etc. emphasizes the role towards corporate social responsibility of its managements.

The cotton textile industry is the oldest and one of the largest

single industry in India. The largest number of co-operative sector employees are working in cotton textile industry in Kerala. The textile industry in Kerala comprises of hand loom, power loom and the mill sector. The units in the co-operative sector concentrate on manufacture of yarn(spinning).

Corporate social responsibility and HRM are different segments of business. Study of both are equally significant to a organization. So many separate studies relating to corporate social responsibility and HRM were there in industry .HRM may be related to corporate social responsibility. If the firm is not socially responsible the employees cannot utilize their entire efforts towards the achievement of organizational goals.

OBJECTIVES OF THE STUDY

- 1- To identify and rank the factors contributing to HRM of co-operative spinning mills in Kerala.
- 2- To assess the CSR of co-operative spinning mills in Kerala.
- 3- To identify and rank the factors contributing to CSR of co-operative spinning mills in Kerala.
- 4- To find the relation, if any, between HRM and CSR of co-operative spinning mills in Kerala.
5. To make necessary suggestions and recommendations on the basis of the findings of the study.

RESEARCH METHODOLOGY

Population : Employees working in the co-operative spinning mills in Kerala for more than one year.

Sample: An appropriate sample selected by giving due weightage to all factors.

Variables.

Study variables

HRM: Quality of work, Punctuality, Attitude towards supervisor, Ability to undertake responsibility, Attitude towards discipline, Absenteeism, Ability to grasp new ideas.

CSR: Health and safety measures, Green environment, Quality control measures, Business ethics and transparency, Accountability towards all its stake holders, Community development, Human resource development.

Classificatory variables: Geographical area, Year of establishment, Number of employees, Annual turnover.

Tools for data collection: A five point Lickert type scale used to collect required data from employees of co-operative spinning mills in Kerala by using questionnaire.

Analysis: Data consolidated by using the spread sheet package available (EXCEL), Statistical package SPSS used for analysis, Statistical techniques used- Arithmetic Mean, Standard Deviation, Analysis of Variance(ANOVA), Multiple Regression, Co-relation Analysis.

ANALYSIS

India is a glorious country with rich tradition, cultural heritage, age old civilization, abundant natural wealth and resources, abundant manpower talented and resourceful yet it is one of the backward countries in the world. We observe in Japan, America and Germany that their people work hard, they are energetic; they have sense of self respect, a sense of dignity. They discharge their duties without wasting time. We do not find this type of attitude in most places in India.

In India we actually experience an absolute lack of commitment to work, lethargy and low productivity adversely affecting the growth our economy and our nation. The management employee relation in every sector is not smooth.

Co-operation between managers and workers, between workers union and between themselves is the pre-requisite of stable working of organizations. Unfortunately what we find is the tendency to pull down each other, mud slinging and working in

opposite directions. Many of our organizations are organized in such a way as to create and encourage conflict. The above resulted in low productivity and negative work culture in India. Since each organization works with its own socio-technical realities, a readymade formula cannot be advocated to improve the HRM practices.

The situation in Kerala is more or less similar to go in par with the national standard. The productivity of the employees is low compared to the other states like Tamil Nadu, Karnataka and Andhra Pradesh, where the literacy rate is much low. In this context it is appropriate to evaluate the HRM problems in the business undertakings in kerala.

CSR need to became a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. But most of the companies ignore their responsibilities towards social environment (share holders customers ,employees ,creditors, suppliers, society at large) , legal environment (law, government) and ethical environment (moral values, moral theories, ethical standard).

The study covered 8 co-operative spinning mills under TEXFED . Due to lack of proper human resource management and corporate social responsibility all these spinning mills are under loss. Physical and financial performance of these co- operative spinning mills for the last 6(six) years shown below-

PHYSICAL & FINANCIAL PERFORMANCE OF CO- OPERATIVE SPINNING MILLS FOR THE LAST 6 (SIX) YEARS

Particulars	Year	QCSM	ACSM	TCSM	MCSM	CCSM	MALCO	PRICO
SPINDLE CAPACIT-Y		25000	12500	25000	25000	20000	12000	25000
Utilisation %	2012-13	62.4	68.8	53.5	70.0	76.7	80.2	54.1
	2013-14	58.4	54.0	49.9	67.2	72.9	68.7	74.5
	2014-15	51.7	90.1	39.5	65.3	85.8	67.7	78.7
	2015-16	20.80	89.81	29.09	60.70	68.31	65.33	79.73
	2016-17	30.05	82.46	40.16	60.58	57.20	55.55	59.44
	2017-18	31.65	90.19	50.73	68.86	67.90	53.06	22.63
Average		42.5	79.2	43.81	65.44	71.46	65.09	61.5
Value of production Rs. in Lakhs	2012-13	1771	1053	1236	2170	1658	930	1770
	2013-14	1848	746	1162	2166	1536	899	2844
	2014-15	1428	1301	1048	1963	1704	876	2693
	2015-16	457	1147	614	1617	1527	851	2709
	2016-17	659	1370	732	2075	1504	998	1939
	2017-18	541	1539	878	2508	1822	868	724
Average/ year		1117.33	1192.6	945	2083.16	1625.16	903.66	2113.16
HOK	2012-13	30.39	28.25	49.50	30.39	35.24	26.44	19.0
	2013-14	30.18	34.65	45.68	30.18	33.52	24.71	18.0
	2014-15	28.76	27.09	40.57	28.76	30.00	26.18	18.1
	2015-16	26.72	27.00	42.90	26.72	31.52	22.47	16.5
	2016-17	27.12	32.18	42.18	31.18	34.13	25.18	19.84
	2017-18	26.32	30.00	40.38	30.36	32.18	23.92	18.18
Average		28.32	30.00	43.53	29.59	32.76	24.81	18.27
Operating Profit (PBIT) Rs in Lakhs	2012-13	-29.9	+63.7	-249.2	-116	-35.1	+30.6	+146.4
	2013-14	-249.7	-116.1	-394.9	-339.3	-211.5	-44.7	+15.9
	2014-15	-469.6	-151.3	-455.4	-386.1	-284.1	-159.4	-146.1
	2015-16	-492.3	-240.96	-505.52	-488.60	-19.12	-155.45	-148.08
	2016-17	-494.5	-212.67	-434.4	-283.15	-330.35	-132.08	-319.16
	2017-18	-469.2	-200.36	-465.0	-234.39	-242.84	-143.14	-368.12
Average		-367.53	-142.94	-416.90	-307.92	-187.16	-100.69	-136.52

KKMCSM Mill was recently commissioned (on 5.08.2017), its first link coner commissioned on February 2018. So availability of data was not possible. All other spinning mills are under huge loss for the last 6 years except ACSM , MALCOTEX and PRICO, made nominal profit in the year 2012-13, but the rest of the years falls in huge loss. Spindle capacity utilization was fair as far as considered to some companies and value of production is also in good rate for most of the companies .But all these favorable factors didn't make these companies profitable.

CONCLUSION

Poor performance of the cooperative spinning mills in kerala is due to the bad work culture prevailing in the organization and the lack of social responsibility of their managements. The managements of these mills are generally governed by political parties having majority shares in the organization. Most of the permanent employees there were appointed by political pressure and they are in long leave for working in abroad. Now the majority of employees actually working there are temporary in nature.

Number of employees are excess in most of the co-operative spinning mills. The finished products of these mills are not sold directly to companies but through mediators / dealers for cheaper rates, the management forced to do so by external political pressure. The managements are not able to fulfill its social responsibilities towards employees, customers, shareholders, suppliers, government and community as a whole. Employees are very much frustrated and think that they are working in a socially irresponsible firm which prevents them to utilize their entire efforts towards the achievement of organizational goals. This study explore the factors influencing the human resource management of Co-operative Spinning Mills in Kerala and social responsibility of their managements. This study prove that the improvement in the performance of these business enterprises in Kerala is possible through the effective utilization of human resources and social responsibility of management. And the study also reveals that, the aggregate levels of productivity of the workers in these companies are very low. This is due to the lack of social responsibility of managements of these companies towards different interest groups. The current financial of these companies and its accumulated loss cannot be regarded as a result of poor performance of the workers, several other factors may be responsible for this state of affair.

REFERENCES

BOOKS-

- 1- Aurobindo Sri, 1993. Essays on Gita , pondicherry Sri Aurobindo Ashram Trust press.
- 2- Bentham, j., 1977. labour and Repose in Clayre A. (ed.), Oxford, oxford University press.
- 3- Davison, J.P. and Florence, P.Sargent and Gray, Barbara and Ross, N.S., Productivity and Economic Incentives (1958), p.21.
- 4- Festinger, L 1967. A Theory of Cognitive Dissonance – Evanston, Ill, Row Peterson and Co.
- 5- Goodenough Word , H. 1971 Culture, Language and Society , Reading MA – Addison – Wesley
- 6- Herrick and Maccoby, M. Humanising Work – Free Press, New York, 1975, P.64.
- 7- ILO, Methods of Labour Productivity Statistics, 1951.
- 8- Kostin, L.A. "Problems of Labour Productivity in Soviet Industry", International Labour Review, Vol. 119, No.5, 1980.
- 9- Marshall, A. Principles of Economics (1961), P.54.
- 10- Maslow, A.H. 1970. Motivation and personality, New York: Harper and Row.

Reports & Journals

1. AIM(2010) "corporate social responsibility and productivity applied research" project summary.
2. Annual Reports of 8 co-operative spinning mills in Kerala
3. Balakrishnan, M.S. (1994). An Interfirm Comparison of Absenteeism .South Indian Textile Research Association (SITRA) Report.
4. Cornelius, Paul. (2006) . A Study on Indian Textile Exports with Special Reference to Eco-friendly Aspects .PhD Thesis, Mahatma Gandhi University
5. Deepu, D.S. (1998). A Detailed Study on Various Welfare Measures Adopted at Parvathi Mills at Kollam. A Project Study for P.G. Diploma in Personnel Management.
6. Govt. of Kerala - Economic Review 2012
7. "Management matters in Australia : Just how productive are we?" Report published by the department of innovation industries, science and research (2009).
8. Memorandum of Association and Articles of Association of 8 co-operative spinning mills in Kerala
9. The Indian Journal of Commerce, June 2012