



## **A study on human resource management in India Tobacco Company limited in Chennai**

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### **Abstract**

The present study is to evaluate the human resource management practice in ITC Limited. In this study the researcher has identified the specific key areas of Human Resources Management Practices to know their impact on ITC Limited. This study is dependent on primary data to a very great extent. For collecting the primary data the questionnaire had been prepared for the employees of ITC Limited. Having selected the study units, the next step was to decide on the sample size and the selection of the respondents in a systematic manner. The sample size the result would approach near accuracy situations when the generalizations are made. Hence, the researcher had decided to collect the data from 30 per cent of the workers. A sample of 30 per cent that is one-third of the workers populations was chosen as the sample size just to ensure the accuracy of the results to the maximum extent possible. It is concluded that the overall human resource practices in ITC Ltd are satisfactory, which is an appreciable factor in ITC Ltd. This study shows positive and direct relationship between the extent of firm's adoption of high performance human resource practices and firm's managerial productivity. The conclusions of this research pave the way for several research areas and have the potential of becoming a base for auxiliary research.

**Keywords:** human resource practices, performance management, talent management and training and development

### **Introduction**

Every business is made up of people: its human resources. An organization is nothing without human resources. Human resource management is about managing these people effectively. It is aimed at achieving business objectives through the best use of an organization's human resources. Effective management of human resources is vital in all types and sizes of organizations.

### **Statement of the Problem**

Human Resource Management plays a vital role for the existence and survival of any industries. The success or the failure depends on the employee perception, attitudes and moral of the employees, which they have about their industries. Furthermore, it also depends upon the industries objectives & planning, working conditions, motivation, trade union and industrial relations, Performance Management, and working condition in the organization. Today organizations are existing in a stiff competition and the organizations are facing problems in the areas of new technological, shortage of resources power, energy etc. The ITC Limited quite unique in many aspects, so it cannot be compared with any other. Because the nature of the work, the working condition, the environment in which the employees exposed are entirely different. So the employer has to providing welfare, safety, training and performance appraisal measures to improve their efficiency and productivity. So an attempt is made in this study to what extent human resource management is contributing for the satisfaction of the employees in the ITC Ltd, Chennai.

### **Scope of the Study**

The scope of the study is to evaluate the human resource management practice in ITC Limited. In this study the researcher has identified the following specific key areas of Human Resources Management Practices to know their impact on ITC Limited. 1. Human Resource Planning, 2. Recruitment and Selection, 3. Training and development, 4. Wages and Salary Administration, 5. Working Conditions, 6. Motivational Measures, 7. Promotions and Transfers, 8. Labour Welfare Measures, 9. Workers' Participation in Management, 10. Performance Management, 11. Employees' Grievance Handling and 12. Industrial Relations.

The researcher has focused on the above key factors only and has not covered other aspects which earlier studies have concentrated on. Realizing the imperatives of improving human resource management practices of ITC Limited in the context of better future for a developing economy like India, an attempt has been made to look into remarkable human relations through effective human resource management practices.

### **Objectives of the Study**

1. To study performance management of ITC Limited in Chennai
2. To know the training and development of ITC Limited in Chennai
3. To know the performance evaluation practices of ITC Limited in Chennai.

### **Hypotheses**

- There is no significant difference in communication

management among different gender group of employees in ITC Ltd

- There is no significant relationship between the training and development and age group of the employees.
- There is no significant difference in talent management among different marital status of the employees in ITC Ltd.
- There is no significant relationship between the performance evaluation practices and education of the employees.
- There is no significant difference in performance management among different gender group of the employees in ITC Ltd.
- There is no significant difference in compensation management among different marital status of the employees in ITC Ltd.

**Methodology**

This study is dependent on primary data to a very great extent. For collecting the primary data the questionnaire had been prepared for the employees of ITC Limited. Having selected the study units, the next step was to decide on the sample size and the selection of the respondents in a systematic manner. The sample size the result would approach near accuracy situations when the generalizations are made. Hence, the researcher had decided to collect the data from 30 per cent of the workers. A sample of 30 per cent that is one-third of the

workers populations was chosen as the sample size just to ensure the accuracy of the results to the maximum extent possible.

**Limitations of the Study**

This study has the following limitations:

1. The study was conducted in ITC Limited Chennai. As the industrial environment varies from place to place, caution may be exercised while extending the findings of the study to other areas.
2. The human resource management practices are a vast subject consisting of a number of practices. The most common practices that are implemented in the ITC Limited only were considered in this study. Further, the conclusion drawn is specific and cannot be universalized.

**Analysis and Interpretation**

**Communication Management among the employees of different gender group**

In order to find out the significant difference among the mean scores regarding the communication management on the eight statements, data relating thereto were collected and the ‘t’ test was administered with the null hypothesis as, there is no significant difference in communication management among different gender group of employees in ITC Ltd. The resulted mean scores on the communication management and the respective ‘T’ statistics are presented in Table 1.

**Table 1:** Communication Management among employees of different gender group

Sl. No	Communication Management	Gender (Mean Score)		T Statistics
		Male	Female	
1.	Communication process is well defined.	3.8424	3.2741	4.427*
2.	Communication systems are effective and accurate.	3.7818	3.3778	4.230*
3.	Communication systems keep everyone well informed.	3.8545	3.5333	3.021*
4.	The procedure allows for the communication of the top level to the human resource.	3.7273	3.2593	3.324*
5.	The type and media of communication with labour are more effectively designed.	3.5576	3.1333	2.885*
6.	A proper understanding, co-operation and contribution among people towards communication systems are organised.	3.5030	3.2148	2.419*
7.	There are regular investments to improve communication infrastructure.	3.2485	3.1519	1.043
8.	Regular feedback system is followed.	3.4061	3.3111	1.029

Source: Derived Data

\*-Significant at 5 per cent level

From the above table, it is understood that the important communication management among male employees are communication systems keep everyone well informed and communication process is well defined as the mean scores are 3.8545 and 3.8424 respectively. It is found that the important communication management among female employees are communication systems keep everyone well informed and communication systems are effective and accurate as the mean scores are 3.5333 and 3.3778 respectively. A significant difference for the different gender group of employees were identified regarding the different communication management such as communication process is well defined, communication systems are effective and accurate, communication systems keep everyone well informed, the procedure allows for the communication of the top level to the human resource, the type and media of communication with

labour are more effectively designed and a proper understanding, co-operation and contribution among people towards communication systems are organised since the respective “T” statistics were significant at 5 per cent level.

**Training and Development of ITC Ltd Vs Age group of employees**

In order to test whether there is any relationship between age group of employees and training and development of ITC Ltd, the following null hypothesis were formulated.

H<sub>0</sub>: There is no significant relationship between the training and development and age group of the employees. The results of the ANOVA test applied on the scores given on the training and development among different age group of the employees are presented in Table 2.

**Table 2:** Training and development among different age group of employees – ‘ANOVA’

Training and development	Age (in years) (Mean Score)					F Statistics	p Value
	Below 25	25-30	30-35	35-40	Above 40		
Good training opportunities to learn	3.0725	3.3229	3.9167	3.8246	3.9667	5.825	0.000
Training needs are identified through a formal performance appraisal	3.0870	3.3021	3.5625	3.5439	3.5667	1.994	0.095
Training programs are realistic and useful	3.2567	3.2083	3.3333	3.7193	3.5000	4.774	0.001
Training programs has improved my decision-making skills	3.1458	3.3200	3.6875	3.9298	3.1300	7.526	0.000
Training equipped me to tackle unexpected events with effective and confidence	3.1900	3.1771	3.3235	3.7544	3.2333	6.119	0.000
Working relationship between my associates and colleagues in other departments has improved	3.3125	3.6250	3.7544	3.3000	3.3533	3.454	0.009
Effective plans for career and development of employees	3.1304	3.2667	3.1875	3.5088	3.5333	1.104	0.355

Source: Computed Data

Table 2 shows that a significant difference among the different age group of employees were identified regarding the different statements of training and development are good training opportunities to learn, training programs are realistic and useful, training programs has improved my decision-making skills, training equipped me to tackle unexpected events with effective and confidence and working relationship between my associates and colleagues in other departments has improved since the respective ‘F’ statistics was significant at 5 per cent level and the ‘p’ value is less than 0.05.

### Talent Management among the employees of different marital status

In order to find out the significant difference among the mean scores regarding the talent management on the nine statements, data relating thereto were collected and the ‘t’ test was administered with the null hypothesis as, there is no significant difference in talent management among different marital status of employees in ITC Ltd. The resulted mean scores on the talent management among different marital status of employees of ITC Ltd and the respective ‘T’ statistics are presented in Table 3.

**Table 3:** Talent Management among employees of different marital status

Sl. No	Talent Management	Marital Status (Mean Score)		T Statistics
		Married	Unmarried	
1.	Talent management procedures predict extra ordinary talents.	3.6866	3.4646	1.990*
2.	Employees’ participation in management encouraged.	3.7861	3.5152	2.487*
3.	Organization provides sense of recognition and social status.	3.6468	3.4747	1.734
4.	Good motivation system emphasised.	3.7761	3.3939	3.049*
5.	Organization helps to improve motivation and morale of employees.	3.6418	3.4343	1.835
6.	Employees’ capabilities are broadened through goal setting experiences.	3.6368	3.2727	2.916*
7.	Delegation of authority followed as an integral part of the organization.	3.7463	3.5657	1.539
8.	Good mechanisms to identify potential leaders are followed.	3.4776	3.2626	1.608
9.	Organization helps for the employees personal growth.	3.6617	3.6062	1.078

Source: Derived Data

\*-Significant at 5 per cent level

From the above table, it is understood that the important talent management among married employees are employees’ participation in management encouraged and good motivation system emphasised as the mean scores are 3.7861 and 3.7761 respectively. It is found that the important talent management among unmarried employees are organization helps for the employees personal growth and delegation of authority followed as an integral part of the organization as the mean scores are 3.6062 and 3.5657 respectively. A significant difference for the different marital status of employees were identified regarding the different talent management such as talent management procedures predict extra ordinary talents, employees’ participation in management encouraged, good motivation system emphasized and employees’ capabilities

are broadened through goal setting experiences since the respective ‘T’ statistics were significant at 5 per cent level.

### Performance Evaluation Practices Vs Education of employees

In order to test whether there is any relationship between education of the employees and their opinion on performance evaluation practices of ITC Ltd, the following hypothesis was formulated.

**H<sub>0</sub>:** There is no significant relationship between the performance evaluation practices and the education of the employees. The results of the Chi-square test applied on the various performance evaluation practices statements are presented in Table 4.

**Table 4:** Performance Evaluation Practices Vs Education of employees

Sl. No	Performance Evaluation Practices	Chi-square Value	p Value	Inference
1.	The present performance appraisal system is fair	22.176	0.036	Significant
2.	Formal and written performance appraisal system	26.359	0.010	Significant
3.	The objectives of the appraisal system is clear to all the employees	32.593	0.001	Significant
4.	Employees appraisal system has a strong influence on individual and team behavior	11.321	0.502	Not Significant
5.	Employees are provided by performance based feedback and counseling	22.426	0.033	Significant
6.	Performance appraisal is used for making decisions on job rotation	20.258	0.062	Not Significant
7.	Performance appraisal is used for making decisions on training	24.665	0.016	Significant
8.	Performance appraisal is used for making decisions on compensation	9.046	0.619	Not Significant
9.	I receive feedback of performance evaluation results about myself from employees.	24.946	0.015	Significant
10.	Appraisal system in my organization is growth and development oriented.	14.815	0.252	Not Significant

Source: Computed Data

#### The above table shows the following results

Since the 'p' value is less than 0.05 in case of the education of the employees and the performance evaluation practices statement "The present performance appraisal system is fair, formal and written performance appraisal system, the objectives of the appraisal system is clear to all the employees, employees are provided by performance based feedback and counseling, performance appraisal is used for making decisions on training and I receive feedback of performance evaluation results about myself from employees", the null hypothesis is rejected and it is concluded that there is a significant relationship between education of the employees and performance evaluation practices of ITC Ltd that "The present performance appraisal system is fair, formal and written performance appraisal system, the objectives of the appraisal system is clear to all the employees, employees are

provided by performance based feedback and counseling, performance appraisal is used for making decisions on training and I receive feedback of performance evaluation results about myself from employees".

#### Performance Management among the employees of different gender group

In order to find out the significant difference among the mean scores regarding the performance management on the ten statements, data relating thereto were collected and the 't' test was administered with the null hypothesis as, there is no significant difference in performance management among different gender group of employees in ITC Ltd. The resulted mean scores on the performance management and the respective 'T' statistics are presented in Table 5.

**Table 5:** Performance Management among employees of different gender group

Sl. No	Performance Management	Gender (Mean Score)		T Statistics
		Male	Female	
1.	Performance plans are made for every year.	4.0149	3.7475	2.597*
2.	Key performance areas are identified.	3.9701	3.8182	1.856
3.	Performance management issues and plans are discussed explicitly.	4.0299	3.6768	3.414*
4.	Employee's autonomy to plan and to do work is empowered.	4.0547	3.7475	2.973*
5.	Performance management procedure wins co-operation and team work.	4.1294	3.8081	3.873*
6.	Performance Appraisal system and Ratings done and reviewed periodically.	4.0597	3.7576	2.978*
7.	Performance Appraisal system identifies strength and weakness of employees.	3.9801	3.7896	2.007
8.	Performance Appraisal procedure improves individual skills.	4.0299	3.7374	2.878*
9.	Performance linked compensation provided are adequate.	4.0149	3.7879	2.646*
10.	Promotion, Transfer, Wage structure, Benefits and counselling are based on performance appraisal ratings.	4.1244	3.7778	3.403*

Source: Derived Data

\*-Significant at 5 per cent level

From the above table, it is understood that the important performance management among male employees are performance management procedure wins co-operation and team work and promotion, transfer, wage structure, benefits and counselling are based on performance appraisal ratings as the mean scores are 4.1294 and 4.1244 respectively. It is found that the important performance management among female employees are key performance areas are identified and performance management procedure wins co-operation and team work as the mean scores are 3.8182 and 3.8081 respectively. A significant difference for the different gender group of employees were identified regarding the different

performance management such as performance plans are made for every year, performance management issues and plans are discussed explicitly, employee's autonomy to plan and to do work is empowered, performance management procedure wins co-operation and team work, performance appraisal system and ratings done and reviewed periodically, performance appraisal procedure improves individual skills, performance linked compensation provided are adequate and promotion, transfer, wage structure, benefits and counselling are based on performance appraisal ratings since the respective "T" statistics were significant at 5 per cent level.

### Compensation Management among the employees of different marital status

In order to find out the significant difference among the mean scores regarding the compensation management on the eight statements, data relating thereto were collected and the 't' test

was administered with the null hypothesis as, there is no significant difference in compensation management among different marital status of employees in ITC Ltd. The resulted mean scores on the compensation management and the respective 'T' statistics are presented in Table 6.

**Table 6:** Compensation Management among employees of different marital status

Sl. No	Compensation Management	Marital Status (Mean Score)		T Statistics
		Married	Unmarried	
1.	Wage and salary structures are meeting with the legal requirements.	3.7214	3.5657	1.351
2.	Incentive plans are designed.	3.7960	3.6667	1.131
3.	Compensation plans are well designed (To attract talented & hard working people).	3.6517	3.4949	1.651
4.	Compensation and incentive plans minimise absenteeism, labour turnover, etc.	3.7363	3.4141	2.993*
5.	Compensation plan improves good will and Public image of the firm.	3.4925	3.3838	0.829
6.	Compensation plans consistent with business plans.	3.3134	3.3333	0.182
7.	Employee compensation plan influence organization profitability and growth.	3.2935	3.1414	1.219
8.	Compensation plans encourages motivation, morale and productivity.	3.3632	3.3434	0.159
9.	Compensation provided in accordance with compensation.	3.3383	3.1515	1.502
10.	Compensation plans reviewed and revised periodically.	3.4328	3.2424	1.493
11.	Risk coverage plans are designed.	3.4428	3.3058	0.930

**Source:** Derived Data

\*-Significant at 5 per cent level

From the above table, it is understood that the important compensation management among married employees are incentive plans are designed and compensation and incentive plans minimise absenteeism, labour turnover, etc. as the mean scores are 3.7960 and 3.7363 respectively. It is found that the important compensation management among unmarried employees are incentive plans are designed and wage and salary structures are meeting with the legal requirements as the mean scores are 3.6667 and 3.5657 respectively. A significant difference for the different marital status of employees were identified regarding the different compensation management such as compensation and incentive plans minimise absenteeism, labour turnover, etc. since the respective "T" statistics were significant at 5 per cent level.

#### Suggestions

- The ITC Ltd should have systematic recruitment and selection policy for employing best qualified persons. The recruitment and selection policy should be flexible and integrate organizational and employee needs.
- The ITC Ltd need to adopt a strategy that could improve the employee's quality of work life to satisfy both the organizational objectives and employee needs. Each employee should provide with freedom and opportunity to utilize and develop their knowledge and skill to the maximum extend.
- The ITC Ltd may conduct orientation programme to the new entrants. The employees need to be treated more humanely and in a friendly manner which could inculcate in them a sense of responsibility and trust.
- Job rotation should be done and appropriate job description should be given to the employees.
- In addition to improve the work system, designing of programs which could ensure development of employees

skills, the reduction of occupational stress and the development of more cooperative labour-management relations will be helpful in improving the quality of work life and welfare measures.

- Providing a better working condition with latest technologies and updations satisfying all cadre of people in the organization and making work more pleasurable creates work interest in the employee and produce good results.

#### Conclusion

It is concluded that the overall human resource practices in ITC Ltd are satisfactory, which is an appreciable factor in ITC Ltd. This study shows positive and direct relationship between the extent of firm's adoption of high performance human resource practices and firm's managerial productivity. The conclusions of this research pave the way for several research areas and have the potential of becoming a base for auxiliary research. Since the study is empirical in nature, the conclusions have been drawn on the basis of personal views and perceptions of employees in ITC Ltd. Human resource development is a process of total development of the work force and the management of any organization must keep itself adamant with the development of their work force in order to meet the edge of the competition.

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