Management of Human Resources during Pre and Post-Globalized Regime: An Empirical Study in Tea Industry of North Bengal

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Received: 30 Aug, 2017
Accepted: 17 Oct., 2017

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Preferred citation for this article:

Abstract
Presently, Indian tea plantation industry has been confronted stiff competition due to reduction of tariff barrier and relaxation of the quantity restriction on import because of LPG (Liberalization, Privatization and Globalization) policy promulgated in 1991. Tea estates of the North Bengal have been forced on reducing labour cost to be in stable position, not only that, due to the low profitability, most of the estates are not in a position to mitigate their responsibilities towards the workers as prescribed by the labour legislations. As a result of that the workers, who are mainly dependent on the tea plantation to survive, had to live hand to mouth. To have a two square meal in a day, they have resorted to sell their child also in different tea estates. Death of tea workers due to malnutrition in this region have become common phenomenon. All these have led to the workers to become more violent, resorts to strike to pressurize on the management, etc. have increased significantly. The present study highlights the pattern of human resource management during the pre and post globalization era in tea plantation industry in North Bengal region. Primary data has been used mainly in this study and collection of which has done with the help of stratified random sampling technique from the selected tea estates. Thereafter analysis and conclusions have made accordingly.

Keywords Human resource management; Tea industry; Globalization; Profitability; North Bengal region

1 Prelude

For the success of any industry or business organization, human resource management takes a very pivotal role. Human resource management (HRM) concerned with all dimensions of management of people in the organizations. The functions of human resource management ranges widely workforce planning, recruitment and selection, talent management, performance and reward management, human capital management, strategic HRM, organization development, knowledge management, employee well-being, employee relations, the provision of employee services and so on. However, it is probably most stiff in reality to manage human beings.

Human Resource Management has gain much more importance from 1990s onwards. Due to the Liberalization, Privatization and the Globalization (LPG) policy in 1990-1991, the industrial activities have been changed drastically in the developing country like India. As a result of that companies have confronted more competition than they had prior to the nineties. Every business organization seeks to have competitive advantage through the creation of dynamic and committed workforce, who can be able to produce quality goods and services at a comparatively low cost.

The word “globalization” has many meaning depending on the context. In general, globalization means the process which deals with interaction as well as integration among masses, organizations, governments, etc. of different countries, as a process of international trade and investment with the help of information technology. Globalization indicates the movement towards the international integration of national economies. Globalization embodies integration of global markets for goods, services, technology, finance and labour also. In the opinion of Guy Brain bant, globalization includes not only opening up of international trade and business, development of communication, growing of multinational companies, internationalization of financial market, migrations of population and more commonly rise mobility of persons, capital, goods, data and ideas but also infections, pollution and diseases.
Tea, the ‘Queen of Beverage’, according to history accidentally tea was discovered in China by the mythic Chinese emperor and herbalist, Sheh Nung, in 2737BC (Mitra, 2010). In India, tea industry may be traced back by 1823 while discovery of indigenous tea plant in Assam by Robert Bush, a Scottish adventurer (Banerjee, 2009). As per the latest report published by Tea Board of India (2015), India holds position of the second largest producer and produced around 23% by 2014 of the world tea production. Besides that India is the third largest exporter of tea and exported around 11% of the world tea export by 2014 (Tea Board of India). In India, tea industry has divided based on the geographical location, North Indian tea industry and South Indian tea industry. North Indian tea industry is producing more in contrast to south Indian tea industry. North Indian tea industry comprises of Darjeeling, Dooars, Terai, Assam Valley, Cachar, etc. tea producing regions. Whereas Assam Valley and Cachar comes under Assam and Darjeeling, Terai and Dooars come under West Bengal. Total production of North India during 2015-16 is 1008.56 million kg, where North Bengal alone produced 329.70 million kg of made tea.

2 Briefly Profile North of Bengal Tea Industry
North Bengals’ tea industry is situated in the sub-Himalayan foothills and this is ranging in the districts of Darjeeling, Jalpaiguri, Coochbehar, and the new born district Alipurduar of West Bengal. Tea is mainly grown in three regions and these are Darjeeling hills which are around the Darjeeling and Kurseong sub-divisions, Terai which located around Siliguri subdivisions and few parts of north Dinajpur district and the Dooars which comes under Jalpaiguri and Alipureduar districts. North Bengal tea industry composed of 276 organized tea estates (which having their own manufacturing factory within the plantation premises) (Synopsis on survey of tea gardens conducted by Joint Labor Commissioner). Tea industry plays a crucial role in the socio-economic development of this region. This industry provides permanent employment of 262,426 workers. There are seven management (planters) associations are working as advisors to the management of Tea estates. On the other hand, 22 registered trade unions are also operating in the tea industry of North Bengal region.

3 Statement of the Problem
Since the end of twentieth century the Indian tea industry is experiencing a survival crisis that is caused by a multitude of factors globally and nationally causing rampant incidents of closures and abandonment in many tea estates. The industry faced steep decline in tea prices during 1999 to 2006, with the advent of globalization. The price crisis has been arising due to the high competition in the world market as a consequence of free trade agreement. Due to the lower profitability, most of the tea estates have been not in a position to mitigate their responsibilities and obligations towards the workers as prescribed by multifarious labour legislations. The workers, who are mainly dependent on the tea estates for their housing, educational, crèches, drinking water facilities, etc., have been largely adversely affected. The wave of globalization has shaken foundation and overall management of tea estates in such a way that has paved the improper procurement, lack of training and development, irregularities in making payment to the workers, non-deposit to the provident fund, etc. They had to live hand to mouth. The workers have turned more aggressive, resorts to strike to pressurize the management, etc. have increased significantly.

The study has covered a period of 16 years i.e. from 1991 to 2006. The rationale behind choosing this particular period is that the year of 1991 has been known as the starting of the new economic policy which is the outcome of Liberalization, Privatization and Globalization (LPG). But the real effect of globalization on Indian tea industry has started from few years later. It has observed the prices of Indian tea are in increasing trend from 1991 to 1998 but after 1998 the scenario has found reverse. So based on the effect of globalization, present study has been made a clear cut distinction i.e. pre globalization as 1991-1998 and post globalization as 1998-2006 and make a comparative over the two specific time span.

4 Review of Literature
Many researchers have conducted study on various dimensions of Indian tea industry. A notable and relevant research works in connection with the statement of problem have been referred below to frame the objectives in our present study.
Asopa (2007) had implied that virtually, demands of Indian tea has declined in global markets since it continues to be traded as a commodity besides the value addition is limited or can be said, late. It is only being sold in the markets of consumers with shallow pockets who still buy it as a commodity, but this share is fast depleting. Thus, the industry needs to be competitive in production, marketing, logistics and product forms. Despite being one of the largest producers of tea, India lacks properly organized production as well as marketing systems where small tea producers could manage to find an adequate place in the global market.

Nagoor (2009) studied that the performance of Indian tea exports and figured out that tea, which was a major exportable commodity in India’s agricultural exports, is declining at a steady rate. The export performance over the last three decades shows that the percentage share of India’s tea export in total world tea exports has declined drastically. During 1981-90, the share was 21.91%, which declined to 13.35% in 2001-2004. During the end of nineties and beginning of the twenty first, it has been quite depressing for the tea industry in India.

Das Ashim Krumar (2008) conducted an study on “Sustainability In Tea Industry: An Indian Perspective” was a complete study on the major causes of the crises of the industry including decline the demand in global market, poor price realization, cost of production, etc. in detail.

Saji M. Kadavil (2007) studied on “Indian Tea Research” provides an detail accounts of the impact of providing for social infrastructure and facilities is about Rs. 4.12/ kg for manufacturer in North India and Rs. 3.44/ kg in South India. The impact of the social cost in the large estates in percentage terms works about 5-8 percent of the total cost. The study further revealed that the profitability of the industry in the current level of price does not provide the way to meet this social cost.

Mitra (2010) in his study on “Globalization and Industrial Relations in Tea Plantations” explored that there is significant differences of industrial relations in the tea plantations industry in Dooars region of West Bengal during the pre and post globalization era.

5 Objectives of the Study
From the review of existing literature following objectives have been framed:

1 To compare the scenario of human resource management based on the pre and post globalization period in the tea estates located in North Bengal region.

2 To observe the impact of globalization on human resource management in the tea estates of North Bengal region.

6 Methodology
In our study, primary data has been taken into consideration. Analysis of the same has been done using various statistical tools to draw appropriate conclusions and recommendations.

Area of the study: The study has been conducted in the tea growing regions of the North Bengal; these are popularly known as Terai, Dooars and Darjeeling.

Sample Size: With the help of Raosoft software, we have determined the sample size in our study. The proposed sample suggested by Raosoft software is 31 at 95% confidence limit. We have deliberately selected our sample respondents in order to capture the effect of pre and post globalization period in our study. Therefore, we have taken the feedback of such respondents who have been working after 1991s and also have been working in the same estate after 1998.

Sampling techniques: Stratified random sampling technique has been adopted in the study. Strata have been chosen based on the ownership pattern of the tea estates. These are namely, Public Ltd. Company, Proprietorship, Partnership and Public Sector Undertakings.

Data: The study is mainly based on the primary data. We have also considered secondary data in our research.
Collection of data: We have collected the feedback from the respondents of sample tea estates through well-structured questionnaire keeping in view the objectives of our present study.

In the study, the composite scores of human resource management based on the feedback of management representatives on five criteria (procurement, development, compensation, integration and maintenances) (Edwin, 1985) and these five criteria further consists of 12 sub-criteria have been taken into consideration as variable for the study. Respondents were asked to rate on five point Liker scale. Composite mean score of human resource management against each and individual respondents have been computed with the help of SPSS.

Identification of variables: Recruitment, Selection, Promotion, Wage, Bonus, Incentives, Gratuity, Retrenchments, Unions, Grievance, Working Hours and Rest Intervals.

Scale selection: In our study, we have used 5-point Liker scale ranging from 1 to 5, where, 1 = ‘Very bad’, 2 = ‘Bad’, 3 = ‘good’, 4 = ‘Very good’, and 5 = ‘excellent’.

7 Analysis and Findings
7.1 Test of normality

Test of normality would suggest to conduct appropriate test for the study. The appropriate test in this case may be parametric test or nonparametric. If the data set is approximately normally distributed then it would be parametric test and on the other hand, if the data set is not approximately normally distributed, it would be nonparametric test.

The null Hypothesis (Ho): Data is approximately normally distributed.

The test of normality has been shown in the above Table 1. Since we know that dataset smaller than 2000 elements, we use the Shapiro-Wilk test; otherwise, the Kolmogorov-Smirnov test is suggested. In the case of this study, since we have only 31 respondents, so Shapiro-Wilk test has been followed for both the cases.

From Table 1, it is clearly observed that p values of the Shapiro-Wilk test for both the cases are .001 and .002 respectively. So, null hypothesis is rejected. It clearly implies that our data set is not approximately normally distributed.

Table 1 Tests of normality

<table>
<thead>
<tr>
<th></th>
<th>Kolmogorov-Smirnov</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic</td>
<td>df</td>
</tr>
<tr>
<td>Pre-Globalized HRM Scenario</td>
<td>.283</td>
<td>31</td>
</tr>
<tr>
<td>Post-Globalized HRM Scenario</td>
<td>.255</td>
<td>31</td>
</tr>
</tbody>
</table>

Hence, parametric test is not applicable in this study. As per the nature of the collected data for this study, Wilcoxon signed-rank test is appropriate. With this test we can easily compare the before and after effect of Globalization on the human resource management scenario in the tea estates located in the North Bengal region.

7.2 Wilcoxon signed-rank test

We have formulated the following hypothesis in order to conduct the Wilcoxon signed-rank test.

Null Hypothesis (Ho): There is no significance difference between management of human resource in tea industry of North Bengal during Pre and Post-globalized regime.

Alternative Hypothesis (H1): There is significance difference between management of human resource in tea industry of North Bengal during Pre and Post-globalized regime.

From the descriptive statistics of Wilcoxon signed ranks test (Table 2), it is observed that the mean of same sample set of different time periods are 23.2258 in case of management of human resources in the pre globalized era and on the other hand, in case of post globalized era it is 21.4194. It is clearly observed from the mean values that pre globalization management of human resource is found to be much higher than the post globalized regime of human
resource management. The standard deviation is also found that the variation during the pre-globalization was minimum (.84497) in contrast to the post globalization period (3.50023).

Table 2 Descriptive statistics

<table>
<thead>
<tr>
<th>Scenario</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre -Globalized HRM</td>
<td>31</td>
<td>23.225</td>
<td>.84497</td>
<td>21.00</td>
<td>25.00</td>
</tr>
<tr>
<td>Post-Globalized HRM</td>
<td>31</td>
<td>21.419</td>
<td>3.50023</td>
<td>14.00</td>
<td>24.00</td>
</tr>
</tbody>
</table>

This indicates that human resource management was healthy during pre-globalized regime. It has deteriorated after the globalization. Conclusions may be drawn that globalization has an adverse effect on the practice of human resources in the tea industry located in North Bengal region of India.

Table 3 reveals that the mean rank for negative rank is 16.73 and for positive rank is 7.40 respectively. We cannot conclude that statistically these two values are significantly different from each other. To be sure that the two values are significantly different from each other we must depend on the p values of the test which is shown in the Table 4.

Table 3 Computation of ranks

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Rank Type</th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-Globalized</td>
<td>Negative Ranks</td>
<td>15</td>
<td>16.73</td>
<td>251.00</td>
</tr>
<tr>
<td>HRM</td>
<td>Positive Ranks</td>
<td>10</td>
<td>7.40</td>
<td>74.00</td>
</tr>
<tr>
<td>Ties</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4 Test statistics

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Test Statistic</th>
<th>Post- Globalized HRM</th>
<th>Pre -Globalized HRM</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Z</td>
<td>-2.410</td>
<td>.000</td>
</tr>
</tbody>
</table>

Note:

a. Wilcoxon Signed Ranks Test
b. Based on positive ranks.

Here, Z value (Sig.) of the Wilcoxon signed ranks test is .000 which is less than 0.05 (5% level of significance). The result shows that the difference between positive and negative mean ranks is statistically significant from each other.

So, we reject the null hypothesis and opine that there is significant difference between management of human resources in tea industry of North Bengal during Pre and Post-globalized regime. We can further assert that management of human resources has been drastically changed due to adverse effect of globalization.

8 Conclusions

From the findings of the study we may conclude that there is significant impact of globalization on management of human resources in tea industry of North Bengal region. In the pre globalization regime, procurement, development, compensation, integration and maintenances have been realized a steady progress till 1998, but from 1999 onwards tea industry experienced depression in the world market, the low level of price did not meet the human resource management functions in an acceptable standard.

Due to abrupt increase of cut throat competition in the global tea market, the cost of production has become more challenging issue before the tea producers. Tea industry in the region have felt the exhaustive heat of global competition and therefore realized the need to cut down the costs which are associated with workforce of the industry to remain competitive. As a result, several problems have been faced by the workers in connection with lower wages, irregularity of payment system, delayed promotions, etc. and these problems have been increased significantly from 1998 onwards. Workers have started to raise their voice in order to put pressure on the
management to fulfill their various demands. As a result of which labour-management relations have been seriously affected in this present juncture.

9 Future Scope
There are some limitations of the study that could be addressed in future research. In our study, we have only measured the impact of globalization on human resource management scenario in the tea industry located in the North Bengal region. Further study may be carried on using this methodology for multifarious areas of Management like financial management, marketing management, supply chain management, and so on. Another limitation of this study is that it only focuses on the tea industry. Future study may be addressed to entire plantation industry located in our country.

Authors’ contribution
Biswas D. and Roy N. Chandra studied on the “Social Cost, a Strong Determinant in Industrial Relations: A Comparative Analysis of Pre and Post-globalized Regime in Dooars Region” in 2015, focused on the impact of globalization on the social cost that are born by the management of tea estates. The study confirmed that globalization have adverse effect on the social cost and thus lead to the labour unrest in the region.

Acknowledgements
The authors are grateful to the Regional Office of Tea Board of India, Jalpaiguri, West Bengal, India and to the Labour Department, Government of West Bengal, India.

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