

# Chapter-I

## Introduction

## **1.1: Conceptual Introduction of Human Resource Management**

For the success of any industry or business organization, the human resource management plays a pivotal role. Human resource management (HRM) is concerned with all the aspects of management of people in the organizations. The functions of human resource management ranges widely from workforce planning, recruitment and selection, talent management, performance and reward management, strategic HRM, knowledge management, human capital management, corporate social responsibility, organizational development, employee relations, employee well-being, the provision of employee services and so on.

However, it is probably the stiffest art to manage the human being in reality. Humans are the most complex creature. The feeling, tastes, thoughts, audibility, behaviour, likes, dislikes, desires, understandings, etc. vary from individual to individual. The individuals in an organization are employed from different religious, ethnic, political and cultural backgrounds. All of these make individuals unique in morals, values and beliefs. Such variety and complexity of individuals reflects largely in the work place. In general, managing of human resources is quite a challenging task. So, we can finally term HRM as a philosophy that deals with how people should be managed.

HRM is a new terminology and is used in place of Personnel Management or Personnel Administration (Ghosh, 2006)<sup>1</sup>. Under the ambit of HRM, the human elements of an organization are treated as resource that contributes best to the execution of organizational destination. It subscribes to the notion that humans are different from the other non-human resources and they need empowerment, involvement, gratification of psychological needs, appropriate climate to explicit their worth, espousal to their jobs and as well as to the

organizations. Thus, HRM is basically a strategic approach towards procuring, developing, compensating and maintaining the human resources.

HRM has gained much more importance since 1990 onwards. Due to the Liberalization, Privatization and the Globalization (LPG) policy in 1990-1991, the industrial activities have changed drastically in the developing country like India. As a result of that, companies have confronted more competitions than they had prior to the nineties. Every business organization seeks to have competitive predominance through the creation of dynamic and committed workforce, who can be able to produce quality goods and services at a comparatively lower cost. Under these situations, business organizations generate strength; develop competencies and efficiencies to survive, develop and to confront challenges. Therefore, business organization demands human resources that have competences, positive values, and attitudes to accept challenges.

Organizations cannot function without human resource; all organizations are managed and run by human resources. At this juncture, this is important to know about HRM. Following are some of the definitions given by the experts on HRM that will help us to understand the meaning of HRM.

E. B. Flippo (1984)<sup>2</sup> defined that HRM is the process of management which deals with procurement, training and development, compensation of employees' services, maintenance and integration of their functions for the attainment of each individual, organizational and finally societal objectives.

Michael Armstrong (2014)<sup>3</sup> has expressed that HRM is related with the employment, development and reward of people in organization and the conduct of relationship between the employer and employee.

Yoder, Heneman, Turnbull & Stone (1958)<sup>4</sup> opinioned that HRM is regarded as one of the inseparable part of management which is dealing with the feasible controlling and also uses of man forces as this is distinct and unique from any other sources of power.

Hence, it is acceptable and very much important to conclude that human resources play a crucial factor for the enhancement and improvement of the organization. Proper utilization of human resources organization can fulfill its mission, vision and objectives. So, management of human resources is more important rather than other resources.

### **1.1.1: Origin of Human Resource (HR) Concept**

The Human Resource (HR) concept has emerged from the followings:

1. **Slave Concept:** Labour was treated as a commodity. Employer did not think to give labour a human treatment. A situation of no fair wage, no healthy working condition, and no fixed time was present. Workers worked as bonded labour.
2. **Master-servant Concept:** Workers were equivalent to the servant. The practice of ill-treatment, exploitation, unhygienic working condition, absent of paid holidays, rules, laws governing working conditions was in existence. Hire and fire approach was abruptly used.
3. **Welfare Concept:** Management showed their willingness to enhance the wellbeing of workers by way of offering some health benefits, rest room, safety measures, shelter

rooms, subsidiary food. They were under the impression that outcome could be increased if sufficient welfare measures were taken.

4. **Paternalistic Concept:** Employer tends to grow up 'father like' attitudes such as 'do the job that I have asked you to do, as I will look to your problems'. Management thought of getting desired results if father-son relationship was established. The concept expressed one of a critical parent than a nourishing parent.
5. **Philanthropic Concept:** This concept was depending on the philosophy that workers were human beings. They liked to satisfy social and psychological needs. This concept emerged from the research study which was done by Elton Mayo and his associates. Group interaction, team building, a climate of 'we' feeling were some of the outcomes of this concept.
6. **Human Resource Concept:** Workers are regarded as the most worthy assets of an organization and the prosperity of the organization depends on the development of HR. Workers can be satisfied if their psychological needs are fulfilled. Committed workers help to grow, develop and achieve the organizational goals.

### **1.1.2: Developments of Human Resource Management (HRM) Concept**

Though the evolution of the concept of HRM in India is relatively of recent origin, but the master of strategy Kautilya, in his "Arthashastra" in 400 B.C had dealt with few of the significant angles of human resource management (Aswathappa, 2008)<sup>5</sup>. The ruler of old days adapted various strategies to manage the human resources as suggested by Kautilya. The Chinese, as early as 1650 B.C had originated the principle of "Division of Labour" and even the "Labour Turnover"

also well understood during 400 B.C. Existence of HRM system is also evident from the Babylonian Code of Hammurabi in 1800 B.C (Rao, 2009)<sup>6</sup>.

Today's HRM concept originated from the health and happiness concept, i.e. major function of management was to provide help, assistance and guide to the employees for maintaining the health of the employees and to make them happy. As per Prof. Ghosh<sup>7</sup>, the development of HRM concept is presented below:

- 1. Health and Happiness (prior to 1931):** In the context of business organization in the beginning of the 20<sup>th</sup> century, an evidently noticeable issue was that there was no existence of any department in any company in charge of controlling the issues relating to workforce requirements, various aspects of the grievances of workers, motivation, satisfaction of employees and their all round development. Few companies were seen to have formed health and happiness department. But most of the contemporary officers of those organizations were merely identified as non-performers. The prime job assigned to the health and happiness department was to ascertain the execution of few ritual programs like organizing picnic or get-together, celebration of few occasions, arranging farewell ceremony, looking into personal problems of employees and providing them with some health benefits.
- 2. Welfare (1931-1946):** As per the report submitted by the Royal Commission in 1931, it is recommended that in a business organization there must be a forum of labour officers to be appointed for dealing with the matters of recruitment of labourers, stopping corrupt organizational practices, particularly in the area of recruitment and selection and also to look into the welfare aspects of workers. The necessity of providing welfare benefits to workers came into observation during the World War-II since workers' assistance and

adjuvant were exigently required to build up man power and meet up the contingent and war-driven crisis. The enactment of the Trade Union Act encouraged workers to create a unity among them, form unions and represent their grievances to the employers for redress. Organizations were supposed to set up separate welfare department and appoint welfare officers in order to look into the workers' grievances, particularly, the welfare aspects such as drinking water, availability of canteens and restrooms, healthy working conditioned.

**3. Personnel Administration (1947-1959):** With the emergence of the concept of Personnel Administration, a certain transformation in the field of management came into the spotlight. During this phase, a radical change paved the path of a organizational development. Several labour laws, high significant in the contemporary context of management, ensuring welfare, social security, health and safety measures to workers were enacted during the span of personnel administration. Some of such laws which prompted companies to open new departments under the nomenclature of 'Personnel Administration Department' for conduct with personnel matter, safety, welfare, health, industrial disputes, etc. are mentioned below:

- a). The Industrial Disputes Act 1947.
- b). The Factories Act 1948.
- c). The Dock Workers (Regulation of Employment) Act 1948.
- d). The Employees' State Insurance Act 1948.
- e). The Plantation Labour Act 1951.
- f). The Indian Mine Act 1952.
- g). The Employee Provident Fund and Miscellaneous Provisions Act 1952.

h). The Employment Exchange (Compulsory Notification of Vacancies) Act 1959.

The Factories Act mandated that any business organization having strength of 500 employees or more than that has to engage welfare officers in the industrial establishment. During that phase, factories and industrial establishments tended to appoint Personnel Officers, Administrative Officers, Labour Officers, and Welfare Officers who were given authority, power, and status in the companies for a smooth and effective discharge of their functions. They were also assigned with many-fold responsibilities like looking into the matter of recruitment, trainings and recording maintenance detail of the organization. A very notable move was undertaken by contemporary top level executives and personnel professionals who set up some institutional bodies to exchange their ideas, practices and innovations in personnel field among themselves through meetings, workshops and seminars. Those institutions include National Institutes of Labour Management (NILM) in Mumbai and Indian Institute of Personnel Management (IIPM) that was set up in 1950's in Kolkata.

**4. Personnel Management (1960-1983):** This period reveals a state of growing unity and solidarity amongst workers. During this era of business, five central trade unions (INTUC, AITUC, HMS, UTUC, and CITU) emerged in the industrial settings that came up with different modes and forms of demands. Workers tended to manifest their professional needs and requirements that encourage initiation of experimental schemes for their growth, development, and training. Emphasis were given on the formulation of rational policies, procedures for recruitment, selection, promotion, welfare, companionship, incentives, and redressal of workers' grievances in order to make the workforce contented and satisfied. In the report submitted by National Commissioning



1969, the authority stressed on the need for ameliorating the conditions of workers implementing measures for welfare, social security, ensuring equity, justice in compensation benefits and promotion.

To satisfy psychological needs of the workers, some organizations introduced mechanism of performance appraisal to identify and promote achievers and potential people and channeling poor performers through the mechanism of training programs, participative management to involve workers in decision making process and job evaluation to pay them fair and rational compensations. The job roles of personnel executives were enhanced and transformed with the enactment of some laws viz. the Maternity Benefit Act 1961, The Apprentice Act 1961, The Payment of Bonus Act 1965, The Contract Labor (Regulation and Abolition) Act 1970 and Payment of Gratuity Act 1972.

The concepts of labour welfare, personnel administration and industrial relations inspired and enabled the industrial establishments to bestow upon their personnel professionals much more authority, recognition, support and power in order to elevate their status in their professional field. In the 1980s, the NILM and IIPM were merged to set up National Institute of Personnel Management (NIPM) in Kolkata.

- 5. HRM (1984 onwards):** A further modification of the prevailing concept of Personnel Management came into operation with the nomenclature of Human Resource Management. This approach of managing human resources rather than personnel professionals emerged due to the changes occurring in the environment of product market and the high competition amongst national and multinational firms and also because of the shifts in the organizational atmosphere towards development. This concept of management brought a radical change in the organizational set up that was basically

driven by market conditions which demanded quality service and product at a reasonably lower price.

HRM aims at winning organizational goals by means of employing human resources and giving more importance on their all round development to make them contribute as world class workforce. The domain of HRM includes acquisition, development, wage and salary administration and maintenances. These activities are executed in accordance with the strategy of the business and kept up in view of the competitors as well. In addition, utilization of the advanced technology for the day to day functioning is also taken into consideration. Organizations form mechanisms like performance management, training and development, potential appraisal, career planning, etc.

However, the evolution of HRM goes back to the evolution of the industrial revolution. Since then various changes have taken place in the area of management. This leads to the faster outgrowth of human resource management. The followings are some factors which have positive and direct impact upon the emergence as well as development of the human resource management:

i). **Cultural and Social Changes:** : Cultural and social changes indicate the changes in attitudes, perceptions, moral, customs, practices, values, beliefs and actions of employees along with their families as a results of the changes in their knowledge, skill, art, laws, norms and individual values as members of the society. Besides, the modern trend of mobility of employees and shift in the mode of transportation and communication and emergence of new occupations brought a broad transformation in social stability and work employment has also taken place.

**ii).** Changes in government and labour relations: In the previous era of management in business organizations, the governments had to do a bit little about solving the grievances of labour. As a result, frequent lockout, strikes, poor work conditions, labour unrest etc. were quite a common phenomenon. These are the key factors raging behind the enactment of multifarious protective regulations regarding the payments of wages, conditions of labor, industrial disputes, industrial safety, compensation, etc.

**iii).** The changing nature of employees has a greater influence on the origin and advancement of human resource management. With the passage of time, the relations between the management and employees develop remarkably. Thus, employees receive the privilege to be the stake holders of their companies.

**iv).** Attitudes and feedback of management: In the earlier days, labourers were assumed to be one of the key parts of production and used to be treated merely as tools for production. This assumption tended to change with time. The scenario began to change and management started focusing on joint decision making mechanism in its corporate affairs.

**v).** Changes in technology: Owing to the rapid advancement in the field of science and technology, organizations perceived the requirements of specially trained employees. The management also felt that the existing specialized employees were to be nurtured to ensure a certain transformation in the business world. These traits of specialized workforce directly led to the improvement of human resource management.

**vi).** Development in management discipline: Technological development has led to improvement of the various branches of management. The installation of multi varieties of machinery in the industrial set up gave birth to a large verity of branches of business.

The management in those branches of business required to be executed with efficient workers. In connection to this, the movement of scientific management has played crucial role for the origin and development of HRM.

vii). Origination of behavioral science: The human relations movement and the behavioral science are taken into consideration as the last elements for the growth of HRM.

### **1.1.3: Recent Developments in Human Resource Management**

The current development in the bounds of HRM includes assuming the employees as the most significant economic, social, psychological and spiritual assets. The phases of development of HRM in the modern era have been presented here in chronological order:

- In the 1995, immediate after the HRM concept has been switched to Human Resources Development (HRD).
- In 1998, with the origin of total quality management, in HRM the functions integrate with the strategic management activities by the top level management. This makes HRM as the core competencies in the 21st century.
- In 1999, for study on the labour conditions the second National Commission on Labour was established.
- In 2001, the emphasis was given on the 'smart sizing of the organizations'.
- In 2002, the emphasis was strategically shifted to the positive attitudes of the employees rather than knowledge and skills.
- In 2003, the paradigm shift of intelligence quotient (IQ) to emotional quotient (EQ) in individual levels.

- In 2004, there was a radical shift of skilled workers to the knowledge workers.
- In 2006, HRM has become the core of strategic management level.
- In 2007, a notable shift of the idea of HRM has been taken place to human capital management (HCM).
- In 2008, activities of HRM has been failed to some extend because of the economic recession and crisis; the situation has continued to the several following years.
- In 2014, emphasis was on shifting of HRM to talent management and flexible human resource policies and practices.

## **1.2: Tea Industry in India**

### **1.2.1: Introduction**

‘Tea’, the word arose from a Chinese ideograph pronounced ‘tay’. Later in the 18<sup>th</sup> century in English the present pronunciation was converted (Mitra, 2012)<sup>8</sup>. According to legend, the Queen of Beverage (tea) was discovered first in China by the fabled Chinese monarch cum herbalist, Sheh Nung, in 2737 BC (Mitra, 2010)<sup>9</sup>. Tea industry of India may trace back by 1823 while discovering of homespun tea plant in Assam by Robert Bush, a Scottish adventurer (Banerjee & Banerjee, 2009)<sup>10</sup>.

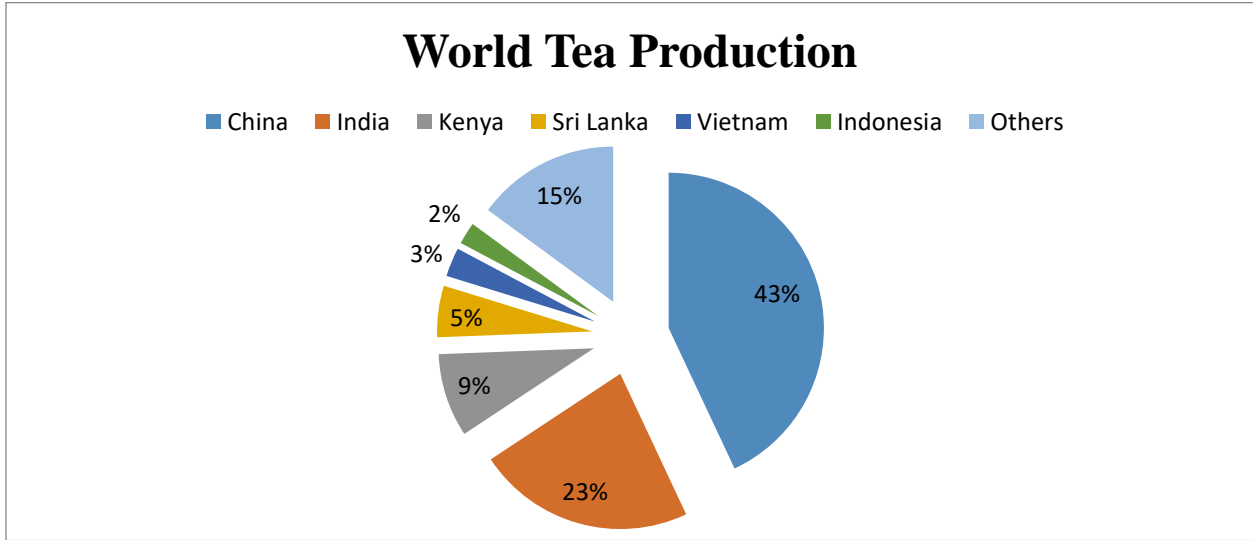
In India, the tea plantation industry was materially initiated and shaped by the European entrepreneurs (Sarkar, 2008)<sup>11</sup>. Essentially, the seed capital to establish tea industry in India was raised in the UK. Thus, the industry was dominated in terms of management and ownership by the colonials. However, the World War-II brought about significant changes of the industry in the area of management and ownership patterns. The war incited the Indian entrepreneurs to start new ventures. During the war Indian entrepreneurs were to produce a large variety of goods that

were required for the war efforts. This encouraged Indian entrepreneurs then entered into venturing in tea. There was another factor behind it, during the war for the purpose of construction of bridges, air fields, roads and also for assisting to the armed forces a large number of workers and staffs were shifted from tea industry. Thus, the industry faced huge shortage of labours and staffs to produce tea. All these factors made a big challenge for the foreign companies to maintain their business. During this point of time some foreign tea company changed their ownership to Indian company.

As per the per rupee investment, plantation sector offers more employment in India. Tea industry gives employment to 12,57,610 workers directly (Tea Digest, 2004)<sup>12</sup> and several other millions indirectly. One of the unique characteristics of tea industry is that it employs more number of women workers. In India, tea is growing in 5,79,353 hectare area which is around 16 per cent in the world in terms of tea cultivation area. Tea industry occupies the predominant position in Indian economy. Tea is the most common and the cheapest beverage in India.

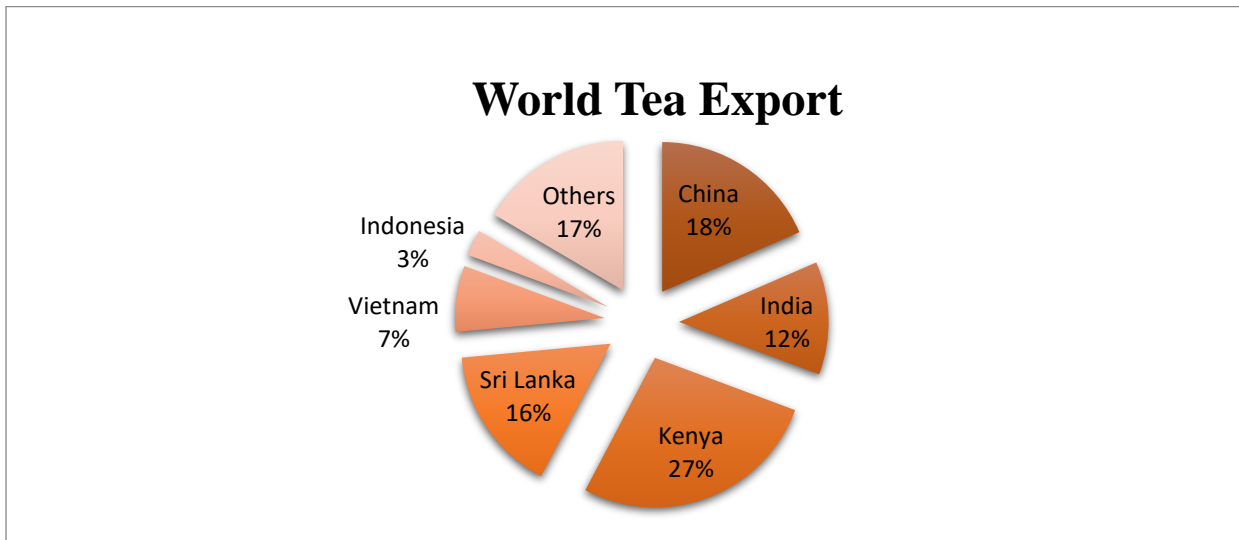
According to the recent report published by Tea Board of India (TBI) in 2017<sup>13</sup>, India occupies the position of the second greatest tea producer in the world after China. India produced around 23 per cent and China produced 43 per cent of global production of tea in 2016. India also occupies the fourth position as exporter of tea and exported 12.19 per cent of tea export in the world market in 2016. It is important to record that around 80 per cent of entire tea production in India is consumed within the country. Out of the entire tea production in India, the North Indian tea industry produced 1008.56 million kilograms, where the production of North Bengal, which comprises of Terai, Dooars and Darjeeling regions were 329.70 million kilograms in 2016.

**Chart 1.1: World Tea Production Share During 2016**



**Source:** Tea Board of India, 2017

**Chart 1.2: World Tea Export Share During 2016**



**Source:** Tea Board of India, 2017

However in India, 97.36 per cent tea is being produced by the four major tea producing states viz. Assam (52.95 per cent), West Bengal (26.73 per cent), Kerala (4.59 per cent) and Tamil Nadu (13.09 per cent). The other tea growing states' contribution is little (2.62 per cent). These states are Arunachal Pradesh, Bihar, Himachal Pradesh, Manipur, Mizoram, Nagaland, Sikkim,

Tripura and Uttrakhand. North Indian tea industry's contribution is 82 per cent, whereas contribution of south Indian tea industry is 18 per cent during the year 2016. In India, as per the geographical location, tea industry gets divided into two regions; tea industry of the Northern India and tea industry of the Southern India. Northern part of Bengal and Assam are the major tea producing areas of North Indian tea industry. Dooars, Terai, Darjeeling, Cachar, Darrang, Dibrugarh, Sibsagar, etc. are the prime producing regions of tea in the North India.

**Table 1.1: Production of Tea and Area under Tea Cultivation in India**

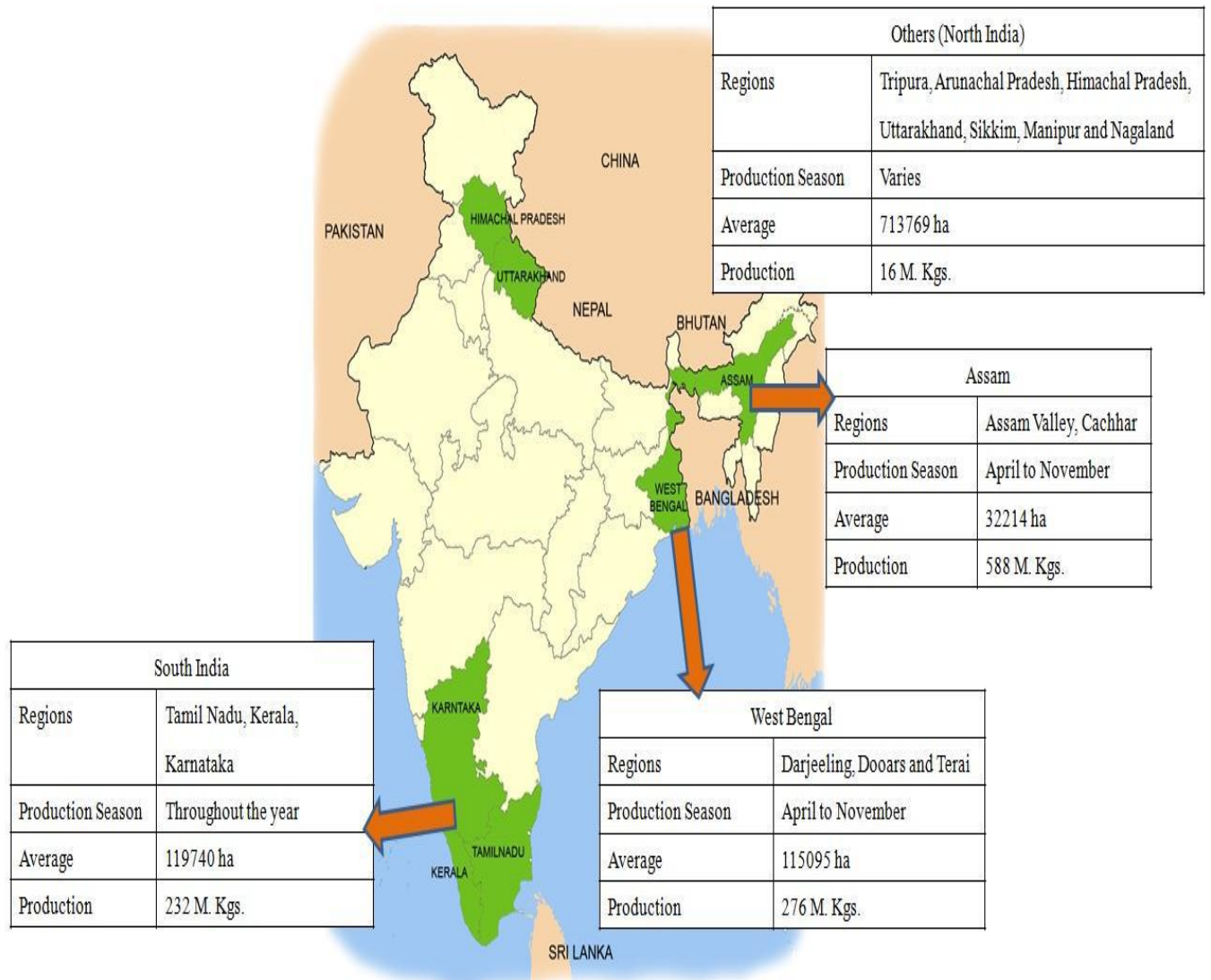
Tea Producing State	Area (in hectare)	Production (in million kg)
Assam	322214	652.95
West Bengal	115095	329.70
Others	22304	25.91
NORTH INDIA	459613	1008.56
Tamil Nadu	80462	161.49
Kerala	37137	56.63
Karnataka	2141	6.46
SOUTH INDIA	119740	224.58
ALL INDIA	579353	1233.14

**Source:** Combination of various statistics of Tea Board of India, 2017

The financial year 2015-2016 India has produced the highest tea production in its history which is 1,233 million kilogram and exported around 232 million kilogram which valued at Rs. 4,493 crores. This record quantity of export has been observed after 35 years. Earlier, in 1980-81, India has exported 231.7 million kilogram of tea.



**Figure 1.1: Tea Production Map of India**



**Source:** Google Map

### 1.2.2: Contribution of Small Tea Growers (STGs)

The tea industry in India composed of big or organized and small growers. Small tea growers (STGs) are unorganized in nature. The Tea Board of India (TBI) defined STGs as, those having area of tea plantation within 10.12 hectare or within 25 acres of such plantation land. On the

other hand, the West Bengal Land Reformed department considered small tea growers as, those having plantations within 9.79 hectares or 24.20 acres of tea cultivated land.

Tea sector of India is going to occupy by the unorganized small cultivators. As of now, the small tea grower section contributes about 45 per cent of total made tea production in India. It is expected that in near future the small tea sector share will be more in the Indian tea industry. In Tamil Nadu, the percentage share of small tea growers has observed highest (53 per cent) followed by West Bengal (40 per cent) and Assam (27.6 per cent). The small tea growers in India are socially and economically vulnerable as they are marginal farmers from the socially backward community. In some parts of the Northern India they do not possess the rights on land in which they are cultivating. In India, the number of small tea growers is around 3,00,000 (Chakroborty, 2018)<sup>14</sup>. On an average, small tea growers possess tea cultivation land within two acres. The most common features of these small tea growers are such that individually they do not have any manufacturing unit of their own.

**Table 1.2: Comparative Scenario of Small Tea Growers and Big Gardens in India**

<b>Parameters</b>	<b>Small Growers (Within 10.12 ha.)</b>	<b>Big Gardens (&gt;10.12 ha.)</b>	<b>Total</b>
No. of gardens	180448	1472	181920
Area under Tea (ha.)	164306	415047	579353
Production (M.kg)	584	701	1285
Per cent share in total area	28	72	100%
Per Cent share in Production	45	55	100%

**Source:** Combination of Data from Tea Board of India and Krishi Jagran.

### **1.2.3: Development of Tea Industry after Independent of India**

The effects of manifold policies and legislations of the government passed since independence of Indian on the tea industry have been summarized briefly as follows:

Structural development of Indian tea industry in terms of management and ownership pattern took place at the time when the Act related to issue capital and control was implemented in 1947. As per this Act, all joint stock companies have to take permission for issuing of bonus on all kind of securities and issue of capital. In this situation, to get rid of it many foreign companies transferred their ownership to Indian company.

The Foreign Exchange Regulation Act, 1947 and Export Import Control Act, 1947 also brought changes and structural development in Indian tea industry. Under these Act restrictions were made on foreign exchange as well as commodity import. Thus, some of the foreign tea companies faced stiff difficulties to maintain and expand their business. Finally, they sold their tea estates to Indian nationals.

Minimum Wage Act, 1948 and Factories Act, 1948 also had a various impact upon the tea companies in many ways. The provisions of the minimum wage act revealed that wage for the workers were notified and fixed by the appropriate government from time to time. On the other hand, the factories act mentioned in its various provisions that the working hour and other statutory provisions on health, welfare and safety might be reasonable. However, the foreign companies feared about the lower profitability on implementation of the Act. Thus, many foreign tea companies converted into Indian company.

Enactment of Plantation Labour Act, 1951 was one of the remarkable issues on the structural development of Indian tea industry. The Act made it compulsory that in case of tea plantation with more than 25 acres of land and employing 30 people or more the authority must arrange

suitable drinking water, latrines and urinals, hospitals and dispensary, housing, recreational facilities, educational facilities for the child of worker, etc. The foreign tea companies were largely affected by this Act and they realized that their company might not be able to earn profit. They changed the ownership and management.

Thus, Indian tea industry developed in the form of ownership pattern and management. The developed structure of ownership pattern of Indian tea industry gained such as private limited, public limited, proprietary concerns and partnership forms.

#### **1.2.4: The Tea Board of India**

Tea board of India (TBI) was set up on 1<sup>st</sup> of April, 1954. It was constituted under section (4), Tea Act in 1953 under the control of Ministry of Commerce and Industry, Government of India. TBI was established with a view to promote, process, trade as well as export of Indian tea. This is the apex body which was given the responsibility to look after the entire interest of the industry. TBI consists of 30 members and a chairman, appointed by the government. The head office of TBI is located at Kolkata. It has 16 regional offices (Siliguri, Kurseong, Jalpaiguri, Agartala, Tezpur, Jorhat, Palampur, Cochin, Coonoor, Silchar, Mumbai, Chennai, New Delhi, Guwahati, Dibrugarh and Kottayam) across India and other three offices are situated in abroad (Dubai, London and Moscow). TBI performs a wide array of functions. The functions are summarized below:

1. Rendering technical and financial assistance to the tea cultivators;
2. Marketing and export promotion of tea;
3. Research and development initiatives for enhancement of production and quality of tea;
4. Provides monetary assistance to the workers and their family members through welfare

schemes;

5. Encourages the small tea growers through financial and technical assistance;
6. To manage well the statistical data and publish them from time to time;
7. Promotion for potential tea market, promotion of different tea brand, and quality improvement of tea;
8. Organize the sellers and buyers meets, promoting the cooperative efforts, organizing campaign for promotion and promotion of Indian tea in the foreign market;
9. Provides licenses for the export, shipment, and warehousing.

### **1.2.5: South Indian Tea Industry**

The credit goes to Dr. Christie for initiating cultivation of tea on experimental basis at Nilgiri in 1832. Initially, tea plants were distributed to the various parts of the Nilgiri hills for the purpose of trial. Cultivation of tea was taken up from the year 1853 onwards in the remote hill areas of Kerala and Tamil Nadu. Further, in Karnataka, tea cultivation was also taken up in small capacity. Later in 1893, it was shaped an industry. In 1894, the United Planters Association of South India (UPASI) was established. It was the only prime representative organization of southern part of Indian tea industry. The central objectives of this organization were to bring unity among the managers and owners of tea estates; to haggle with trade unions and governments.

The main tea growing regions of South India are Tamil Nadu, Karnataka, and Kerala. In Tamil Nadu, tea is grown mainly in Valparai which is in Coimbatore district. There are some other districts in the state where tea is grown in small capacity which are Tirunelveli, Madurai and Kanyakumari. Iddukki, Kollam, and Wynaad are the key tea producing regions in Kerala. In

Karnataka, tea is cultivated in little areas; these areas are Hassam, Chickmagalur, and Coorg districts. However, the entire tea producing region of south Indian is divided into two geographical regions:

- a) The Blue Mountain: this particular area is popularly known as Nilgiri. The area is an average 2000 meters elevations and located in south Tamil Nadu, and
- b) The Western Ghats of Kerala.

**Table 1.3: Position of South Indian Tea Industry in Indian Tea Industry**

Basis	South India	India	Per cent share in Indian tea industry
Production (Million kg.)	241.36	1233.14	19.57
Area (Hectare)	119740	579353	20.66
Average Auction Price	85.64	142.91	--

**Source:** Combination data of TBI, 2017

**Table 1.4: Tea Growing Areas in South India**

SL. No.	Tea Growing Areas	SL. No.	Tea Growing Areas
1	Wayanad (Kerala)	7	High Wavys (Madurai District, Tamil Nadu)
2	The Nilgiris (Tamil Nadu)	8	Trivandrum (Kerala)
3	The Anamallais (Coimbatore District, Tamil Nadu)	9	Singampatty (Tirunelveli, Tamil Nadu)
4	Nelliampathy (Palghat, Kerala)	10	Coorg (Karnataka)
5	High Range (Iddukki District, Kerala)	11	Hassan (Karnataka)
6	Vandiperiyar and Peermade (Iddukki District, Kerala)	12	Chikmagalur (Karnataka)

**Source:** UPASI Tea Research Foundation, Tamil Nadu, India

## **1.2.6: North Indian Tea Industry**

The British naturalist, Sir Joseph Bank was the first person who suggested about the feasibility of tea cultivation in Assam, India in 1778 (Karmakar and Banerjee, 2005)<sup>15</sup>. In 1819, David Scott, the then Governor General of Assam initiated to cultivate tea in Assam but no avail was recorded. In 1823, Robert Bruce discovered the indigenous tea plants in Sibsagar of Assam. Shortly after, tea cultivation was introduced in full swing in Assam and in the Northern part of our country. North Indian tea industry comprises of Assam, West Bengal, Arunachal Pradesh, Bihar, Himachal Pradesh, Manipur, Mizoram, Nagaland, Sikkim, Tripura, and Uttrakhand. The contributions of Assam and West Bengal are the prime of North Indian tea industry; these two tea growing states contribute around 80 per cent of the total tea production of India. The remaining tea growing states contribute a little, only about 2 per cent to India's total tea production. A brief description of the major tea producing regions of North Indian tea industry is presented below:

### **1.2.6.1: Assam**

In Indian tea industry, Assam plays the significant role of producer. Tea Industry of Assam is the highest producer of tea in India. The half of the country's tea production comes from Assam. During the financial year 2015-16, total tea production of Assam was 652.95 million kilogram which was 52.95 per cent of the total tea production of India. Not only production of tea but also area of production of tea, Assam occupies the top most position in India. Including small holders and big producers, tea is cultivated in 3,22,214 hectares land in Assam which is 55.61 per cent of the total tea cultivation land in India. The main tea producing regions in Assam are broadly divided into two distinct areas. These are:

(a) The Brahmaputra Valley: The rich alluvium land of Brahmaputra River valley diffused from Goalpara to Sadiya is the prime tea producing province in Assam and in India. The valley contributes around 45 per cent of total tea production in India and the valley occupies around 40 per cent tea cultivation area of the country. In this valley, total 676 organized tea estates scattered in the districts of Lakhimpur, Dibrugarh, Darrang, Sibsagar, Nagaon, Kamrup, and Goalpara.

(b) Surma Valley: It is the second most important tea growing area in Assam. The valley is lying in Cachar district in Assam. About 5 to 6 per cent of the total tea production of India originates from here. The valley also holds around 10 per cent tea cultivation land in India. Tea gardens in this valley are scattered across small mounds which are called teelas or bheels. The valley has perfectly drained along the river Surma and also its tributaries. The average rainfall of this valley is 300-400 centimeters and almost in every month the valley is rainy.

#### **1.2.6.2 West Bengal**

West Bengal has occupied the greatest position in the tea map of India. Contribution of West Bengal to the Indian tea industry in terms of production is 26.73 per cent. During 2015-16, West Bengal produced 329.70 million kilogram of tea from 1,15,095 hectares of tea cultivation land. In West Bengal, tea is grown in the foothills of the Himalayas covering the district of Darjeeling, Jalpaiguri, Alipurduar, North Dinajpur, and a few part of the Cooch Behar. All these districts come under the territories Northern part of Bengal which is popularly known as North Bengal. Technically, the entire tea growing areas of North Bengal is broadly classified into three; Darjeeling Hills, Terai and Dooars.



### **1.2.7: Brief Profile of Tea Industry of North Bengal**

Tea industry of North Bengal lies under the Himalayan foothills and covering the districts of Alipurduar, Jalpaiguri, Darjeeling, North Dinajpur, and few parts of Coochbehar in West Bengal. Technically, the entire tea producing area in Bengal has been termed into three; Terai, Dooars and Darjeeling hills. Terai covers the area of Siliguri sub-division of Darjeeling districts and a few part of Uttar Dinajpur district. Darjeeling hills covers Kurseong, Kalimpong (now it is independent district), and Darjeeling sadar of the Darjeeling district. Dooars widely covers Jalpaiguri, Alipurduar, and a little part of Coochbehar district. Dooars is the biggest tea producing area in Bengal and even in North India.

Total 276 organized tea estates of North Bengal play monumental role in the economy of this region. The industry provides 2,62,426 employments directly (Government of West Bengal, 2014)<sup>16</sup> and several millions indirectly. There are seven employers' associations and 22 trade unions registered under the banners of different political parties. A brief description of tea growing regions of North Bengal is presented below:

- a) **Darjeeling Hills:** Darjeeling is well known to all over the world of its most exquisite aromatic tea. Annual average rainfall of around 300 centimeters, moderate temperature and fertile soils give special flavour to tea. Although yields per hectare are quite low in Darjeeling, generally below 15 quintals/hectare. The total number of tea estates in the Darjeeling Hills is 81 out of which Darjeeling Sub-Division has 46 Tea Estates, Kurseong Sub-Division has 29 Tea Estates and Kalimpong Sub-Division has 6 Tea Estates.
- b) **Dooars:** The Himalayan foothills covered the districts of Jalpaiguri and the new born district of Alipurduar in the Northern part of Bengal is popularly known as Dooars. Dooars has no political identity but geographical existence only. The name Dooars

derived from the word ‘doors’, doors to Bhutan’ (Saha and Ghosh, 2013)<sup>17</sup>. Dooars is the entrance to Bhutan and North East India. On the west, it stretches from the river Teesta and on the east river Sankosh. It is situated over an area of around 130 kilometer by 50 kilometer. Dooars is bounded by two international borders: Bangladesh towards the south and Bhutan in the north-western side. It is also bounded by one national border, Assam. Dooars has 150 tea estates.

- c) Terai: The ‘Terai’ (moist land) of Bengal is an area of boggy grassland, savannahs, and forest at the foot of the Darjeeling Himalaya lying up to 38 kilometers southwards the plain. The eastern part stretches up to the bank of the Teesta. Terai holds 45 tea estates.

### **1.3: Rationality of the Study**

LPG (Liberalization, Privatization and Globalization) policy was advocated in India in 1991 under the supervision of P.V. Narasimha Rao. As a consequence, all the industries more or less affected but tea plantation industry was largely affected. Indian tea industry has confronted difficult competition because of simplification of tariff barrier and removal of the quantity restrictions on import. The result of these on the share of export of Indian tea has declined, the price has plunged down and also the amount of profitability has reduced.

To remain competitive in the market, tea producing companies of the North Bengal region have been forced on reducing the various costs, specially the labour cost. Due to the cost reduction policy, tea producing companies in this region are not in a position to fulfill their responsibilities like health, safety, welfare, working conditions, etc. to the workers in accordance with the Plantation Labor Act, (PLA) 1951. Besides these, improper recruitment of labour, lack of proper training facilities and even irregularities in payment of wages, bonus, gratuity, provident fund,

etc. have been increased significantly. As a result, workers who are engaged in the tea industry to sustain themselves and their families have been adversely affected. All these leads to the labour unrest in the forms of strikes, gheraos, lockout, etc. and the industry have become vulnerable. The final impact of all these issues finally goes on the quality of tea and profitability of Indian tea industry.

In this background, an effort has been made to observe the existing human resource management practices in the tea industry of North Bengal region and based on that some policy measures have been suggested in order to survive the industry in the long run.

#### **1.4: Scope of the Study**

Indian tea industry plays a pivotal role for the national development in many folds; the industry provides second largest employment opportunities in the country and every year a huge amount of foreign revenue earned by the industry. Tea plantations are located in the remote areas where the inhabitants have limited scopes to earn for their survivals. Tea plantations are the main source for their livelihood. In tea plantation industry, besides direct employment of huge workforces a sizable number of people involved indirectly for their livelihood. Economy of the adjoining areas where tea plantations are located largely depends on tea industry.

In the recent years, the overall scenario of tea industry is not healthy. Due to some factors, Indian tea industry is not in a competitive position in the global market. So, to remain competitive in the economy, tea producing companies of the North Bengal have been enforced on sinking the labour cost. Due to the cost diminution policy, tea producing companies in this province are not in a position to execute their responsibilities to workers in conformity with the Plantation Labour Act (PLA), 1951.

So, from the researcher's point of view there is lot of scopes to study on the human related issues in the tea plantation industry. The present study 'Management of human resources in Indian tea industry: with special references to North Bengal region' is the best justified as per the present scenario of tea plantation industry of Bengal.

### **1.5: Limitations and Further Scope**

The present study is confined only in the tea plantation industry of North Bengal region in West Bengal. Though, tea is grown many other parts of India. The study could have been conducted on pan India tea industry. The present study has highlighted only on the human resource aspects of the tea industry but the industry largely depends on the other non-human resources.

The study may be assumed as a model study for Indian tea industry. The similar methods may be used to conduct further studies on all the tea producing regions of our country. Further, same study may be conducted to the area where Plantation Labour Act, (PLA) is covered.

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