

Assessment of Human Resource
Management Practice-The Case of Licha
Hadya's Farmers Cooperative Union
Flour Factory, SNNPR, Hadya Zone.

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ABSTRACT

Human Resource Management of business organizations is undoubtedly an area that demands substantial knowledge and skill as management of human capital is more difficult than managing material and financial resources. Though one may mimic the technology or financial capital of one organization, it is difficult, if not impossible to copy the manpower of another organization. It is very difficult to expect efficient and effective production in a business organization without utilization of appropriate man power and the key behind effective and efficient utilization of the available human capital basically lies in human resource management system practiced in the organization.

A cross-sectional descriptive study was conducted in Licha Hadiya's Farmers Cooperative Union Flour Factory s a complex factory found in South Nations, Nationalities and peoples region (SNNPR) , Hadya zone in August, 2010. The objective of the study was to assess human resource management practice of the organization.

A total of 10 employees (two of them are managers) were randomly sampled from 33 employees. Data were collected from samples using self-administered structured questionnaire.

The results showed that the practice of employee recruitment to get competent staff as well as the effort made to motivate the employees was very good. Also, majority of the employees reported that they are satisfied. Response of the managers revealed that no significant communication gap between the subordinates and supervisors and among subordinates was recorded so far. Also, the findings indicated that pre-prepared checklists were being used for salary increment and promotion. The basis for salary increment or promotion was reported to be combination of performance results and academic preparation.

From the very principles of proper human resource management practice, it can be concluded that the management system of human capital of the organization is acceptable.

CHAPTER ONE

INTRODUCTION

1.1. BACKGROUND OF THE FACTORY

Licha Hadiya's Farmers Cooperative Union Flour Factory is a complex factory found in South Nations, Nationalities and Peoples region (SNNPR), Hadiya zone. The factory is located in Hoossana Town, capital of Hadiya Zone that is found 232 kms away from Addis Ababa. It was established in May 16, 2001 by unity of 15 farmers associations under the name of 'Licha Hadiya's Farmers Cooperative Union'. The number of members at the start of the union were 12,627 males and 1,090 females totaling 13,717.

The objective of the union was to supply different goods and services to members of the union and other customers in Hadiya Zone. However, the union has developed its capacity and is currently involved in a wide variety of activities such as purchasing and supply of crops, supply of need based modern, affordable, accessible and simple agricultural tools and machineries to farmers, supply of goods to members, training and familiarization of farmers with modern farming techniques and advancements, as well as dissemination of up-to-date market information to customers.

Since its establishment, it has been working hard to develop its capacity in terms of manpower, material and money. It is in this line that it founded a multifunctional and complex flour factory which is one of the two complex flour factories found in the region (SNNPR).

As its name indicates, the union is advancing its development from time to time to meet its mission and vision. In Hadiya, the word 'LICHA' means 'DEVELOPMENT'.

ORGANIZATION OF THE FACTORY

Currently, apart from the factory, the union owns a two-storey building for office, over half a dozen of different size and type of cars, about four large storehouses for storing raw materials and flour as well as other by-products.

According to the data collected in 2010 (report book of the organization, 2010), it has boosted its capital from 95,000.00 Ethiopian Birr (ETB) in 2001 to 27,000,000.00 ETB Likewise, its annual net surplus has increased from 10,888.00 ETB to 11,233,400.00 ETB resulting in an average of 3000,000.00 ETB per year. Its number of members has also risen from 13,717 to 91,716. To date, it has over 110 employees trained at various levels.

The union's factory has separate administrative staff and employees engaged in flour processing. The level of training of human power of the factory ranges from a lay personnel to professional staff with degree of bachelors'.

1.2. STATEMENT OF THE PROBLEM

Lcha Hadiya's Farmers Cooperative union flour factory (here after referred to as 'Licha flour factory' or simply 'the factory') is a complex factory that has a capacity of producing flour of various levels and qualities as well as a variety of animal foods. It has a potential of being upgraded to a food complex factory there by producing 'pasta', 'macaroni', 'biscuits' and other similar processed products that will have considerable value both indoors and in foreign market.

It is obvious that the human capital is by far an essential resource for any production process which can never be underestimated. It is a well known and established fact that no production process could be efficient and effective with out sufficient and properly

trained human power. The case of Licha flour factory is by no means different from this fact.

In order to achieve its vision, the factory has to develop its capital, both human and monetary. One of the very practical and effective ways to ascertain that the factory is in the right track of development is to confirm that it is staffed with appropriate type and number of manpower. One of such confirmatory methods is to check and compare the human requirements of the task with the currently working staff.

Although the factory has raised the number as well as type of working staff from time to time, no considerable and formal effort has been made to confirm if the number and quality of workers in the factory are as demanded by the task and process or not. Furthermore, the motivation and integrity of employees has never been assessed. This research is therefore expected to come up with the necessary information to fill the aforementioned gaps.

1.3. RESEARCH QUESTION

The research question that the study tries to answer is ***WHAT IS THE HUMAN RESOURCE MANAGEMENT SYSTEM OF LICHA FLOUR FACTORY LOOK LIKE?***

1.4. OBJECTIVES OF THE STUDY

1.4.1. GENERAL OBJECTIVE:

- To assess the existing human resource management practices in Licha flour factory.

1.4.2. SPECIFIC OBJECTIVES:

Specific objectives of the study include the following

- To assess level of satisfaction of employees
- To assess measures taken by managers to motivate employees
- To assess availability and extent of team work spirit in the organization
- To determine method of employee recruitment and criteria for salary increment and promotion

1.5. SIGNIFICANCE OF THE STUDY

The study is believed to be very important both for the factory and the employees. The factory will benefit from the research as it will get information regarding the quantity, quality, motivation and integrity of the human capital without which realization of vision of the factory would be futile. Also, the employees will benefit from the study in that the research will pinpoint the available gaps in the part of the working staff for better production and effectiveness in their routine tasks.

1.6. RESEARCH METHODOLOGY

1.6.1. DESCRIPTION OF THE STUDY AREA

The study area is a flour factory of Lcha Hadiya's Farmers Cooperative Union found in SNNPRG, Hadya zone, Hossana Town.

1.6.2. STUDY DESIGN

The research design used in the research was cross-sectional descriptive research in nature.

1.6.3. STUDY POPULATION

The study population consisted of all employees found in the factory. The study population was composed of managers (both top and middle level) and subordinate staff.

1.6.4. SAMPLING METHOD AND SAMPLE SIZE

Stratified random sampling method was used to get more representative samples in order to make the data collected valid and reliable. The procedure of sampling started with formation of two strata namely managers and subordinates followed by preparation of list of names in each stratum (sampling frame preparation). Then proportionate numbers of samples were randomly drawn from each stratum using the sampling frame.

Of all 33 employees found in the factory, 10 were selected and included in the study (2 managers and 8 subordinates).

1.6.5. DATA COLLECTION TOOLS AND TECHNIQUES EMPLOYED

A structured questionnaire was prepared as a tool to collect data from respondents. The questionnaire consisted of both open and closed questions (Annex I).

The respondents were gathered and appropriate introductory briefing regarding the objectives and expected benefits of the study as well as what is required from participants who are voluntary to participate in the study. Permission to participate in the study was sought from respondents to which all samples voluntarily approved to take part in the study. The questionnaire was then distributed for respondents to fill anonymously and return it back after completion.

1.6.6. DATA QUALITY CHECKING

A couple of measures have been taken to assure data quality. First, the design of the questionnaire is tried to be simple, and have good face validity and construct validity. Besides, the tool has been pretested in similar population and refining the tool has been made based on the comments obtained during pretesting.

1.6.7. DATA ANALYSIS AND INTERPRETATION

The data collected were analyzed using simple tools like tally sheet and tables. Also, scientific calculators were used to calculate some arithmetic.

1.7. SCOPE AND LIMITATION OF THE STUDY

As the study is to be conducted in Licha flour factory only, the results could not be generalizable for other flour factories. Besides, due to the fact that only sample of employees are to be studied, the samples could not obviously be representative for other factories and the result may not be equally applicable.

1.8. ORGANIZATION OF THE PAPER

The paper is organized in five distinct but interrelated chapters:

- Chapter one basically provides the introductory background as well as objective of the study
- The second chapter tries to show what has been known on the study topic so far by reviewing the available literature.
- The third chapter presents the results of the study along with discussion

- The fourth chapter provides the summary of the study and draws conclusion based on the findings. Besides important recommendations are indicated in this chapter
- The fifth chapter lists the reference materials used during literature searching.

CHAPTER TWO

LITERATURE REVIEW

2.1. MANAGEMENT OF HUMAN CAPITAL

Human capital or human resource is one of the absolutely necessary resources required in almost all industries to initiate as well as continue the production process. Though the number and type varies, almost all industries require manpower. Any industry requires atleast three major necessary resources in the process of production: money, manpower and material of which availability, accessibility and utilization of appropriate manpower is a limiting factor that significantly influences process and output of industries. Therefore, like other resources, management of human capital should be given supreme attention.

In any production industry, human resource management deals with managing people such that the organization would be competent, efficient and successful. Hence human behavior is influenced by multitude of factors that are inturn reflected in the work process, management of people is more difficult than other resources. Therefore, professionals - called managers-are required to manage people if maximum result is to be derived throughout the production process.

In today's competitive work environment, success as well as survival of business organizations is substantially dictated by management of human resource. Though there could be sufficient money, technologically advanced equipments and machinery, abundance of materials required as raw materials, all these resources can never produce the required output unless organized, processed and converted by human power. It is not far from the truth to say that one of the mysteries that one business organization becomes

productive while the other perishes out is due to management of human power. Because, although the competitor can imitate other resources like technology and capital but the human resource are unique. According to Khatri (1999), people are one of the most important factors providing flexibility and adaptability to organizations. Rundle (1997) argues that one needs to bear in mind that people (managers), not the firm, are the adaptive mechanism in determining how the firm will respond to the competitive environment.

Several scholars have noted that managing people is more difficult than managing technology or capital. People are the product of both their internal and external environment; i.e. anything that happens in the environment can influence the way employees respond to the stimuli. For instance, the health of the employee (internal environment) affects the way how the person does his task (work environment). Similarly, a worker who does not have sound relationship with his boss (external environment) carries out his task in a different way than workers who have good relation with their bosses. Therefore, effective management of human resources requires a sound Human Resource Management system that seeks to obtain competitive advantage through the deployment of a highly committed and skilled workforce, using an array of techniques.

The effective management of human resources requires sound Human Resource Management systems. HRM is a distinctive approach to employment management which seeks to obtain competitive advantage through the deployment of a highly committed and skilled workforce, using an array of techniques.

- a. In order to develop a sound HRM system , the organization should have effective Human Resource Management practices.HRM practices refer to organizational activities directed

at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational. HRM practices may differ from one organization to another and from one country to another.

2.2. Considerable Points for Best HRM Practice

Different scholars (Saxena K, Tiwari P, 2012) have suggested several approaches for efficient and effective human resource management. the following are some practices which denote best practice.

1. ***Employment security***: employees need a working condition that provides them security. Employees that feel job insecurity usually are not motivated for work and even don't like to stay in the organization.
2. ***Selective hiring***: maximum care should be given during employee recruitment and selection. Employing personnel that do not have the required knowledge and skill the task demands can never produce output of the required quantity and quality.
3. ***Emphasis for team working***: employees should be motivated and allowed for to develop good team work spirit.
4. ***Frequent and extensive training***: all employees should be offered appropriate training for the task before they are assigned to carry out the task. Apart from prevention of damage to personnel and machinery, training plays a considerable role in staff motivation.
5. ***Sharing information***: employees are encouraged to work in environments where information is shared. Hiding information, good or bad, brings forth much harm than good. Hiding information makes employees feel they are marginalized and secluded. After all, how can employees contribute their best unless they have sufficient information about the vision, mission and objective of the organization.

6. *Continuous motivation of staff:* motivating staff through promotion, salary increment, training, bonuses, etc is a key practice in good human resource management system.
7. *Employee involvement:* good human resource management systems invite employees to take part in planning, monitoring and evaluation of activities of the business organization. Employees who participate in such activities feel motivated and consider the organization is their own organization.

2.3. Factors affecting HRM Practices

HRM practices differ from one country to another and the factors which affect the HRM practices include external and internal factors. As quoted by Ozutku and Ozturkler (2009), external and internal factors affecting HR practices differs significantly across countries. Some of the major potential influences are as follows:

2.3.1. External Factors

External factors affecting HR practices are those pressures on firms that cannot be controlled and changed in a favorable way in the short run. These factors include the following:

2.3.1.1. Economic Changes:

As a result of development of the global economy, the international dimension of HR practices has become more and more significant .The focus of HR practices has shifted from traditional topics such as internal selection and rewards to concepts such as globalization and international competition.

2.3.1.2. Technological Changes:

Technology affects HRM to a greater extent because of high degree of interaction between technology and HR. Technology changes the way we work, the roles we undertake and the interactions through which work gets done and technology facilitates the growth of a multinational enterprise but generates simultaneous problem of “unpluggedness” among a geographically dispersed workforce.

2.3.1.3. National Culture:

Culture has crucial importance in organizations preferences in developing appropriate structure and methods for HR practices affectivity.

2.3.1.4. Industry/Sector Characteristics:

Organizations can be classified into manufacturing and service organizations for the purpose of analyzing the HRM practices. The idea behind this classification is the fact that different production processes necessitates different HR practices.

2.3.1.5. Legislations /Regulations:

Legislations and regulations are frequently cited as having a direct impact on HR practices. Every country has developed a set of regulations for the management of human resources, so, the HRM practices have to be designed or modified according to these regulations.

2.3.1.6. Actions of Competitors:

There are many ways in which companies can gain a competitive edge or a lasting and sustained advantage over their competitors, among them being the development of comprehensive human resource practices.

2.3.1.7. Action of Unions:

The presence or absence of unions in organizations is a salient variable known to be associated with some HR.

2.3.1.8. Globalization:

As a result of globalization, the whole world has become a single market, the companies have crossed the boundaries of their country of origin and opened their operations in other countries. This has created a challenge for the organization in terms of management of human resources, some companies have tried to transfer the HRM practices from one country to another but it has been found that some practices can be transferred across nations almost without any change but some must be modified to become workable in another setting and some are more deeply culture-specific and may not always be transferable. HRM practices are more prone to local cultural influences than are their overall policies and strategies. Moreover, some of the practices which the company had imported from abroad had to be modified to make them workable, given its local cultural and non-cultural contexts.

2.3.2. Internal Factors

The Internal environment of organizations strongly affects their HR practices.

2.3.2.1. Organizations Size:

Evidences suggests that there is a large number of small firms that do not institute formal HR practices in large organizations , for each functional level there may a need for a different HR department.

2.3.2.2. Organizational Structure:

A firm's strategy and structure are important in determining HR practices flexibility and integration. There are important structural differences among firms that affect the way in which HR practices are designed and implemented.

2.3.2.3. Business Strategy:

To gain competitive advantage, firms use different competitive strategies. These strategies are more productive when they are systematically linked with human resource management practices. Companies can improve their environment by making efficient choices about human resource practices that consistently support their chosen strategy.

2.3.2.4. History, Tradition and past practices:

A number of closely related factors, such as history, traditions and past practices tend to generate resistance to change in most organizations.

2.3.2.5. Top Management:

The influence of top management on HR practices is acknowledged by most writers, even if only to the extent of advising that top management support should be present in designing and implementing HR policies.

2.3.2.6. Line Management:

Line Management participation in designing and implementing HR activities is the key to organizational success. Since line managers are responsible for creating value, they should integrate HR practices in their work.

2.3.2.7. Power and Politics:

Organizational power and politics as exercised by various constituencies are crucial determinants of HR practices.

2.3.2.8. Academic and Professional influence on HR Practices:

HR staffs are often involved in the decision making process about HR policies and practices. Their knowledge about alternative HR practices may represent important variables in their own right.

2.4. FACTORS AFFECTING EMPLOYEES SATISFACTION

It is a well established fact that any process that requires a human labor, irrespective of its quality and quantity, as an input should pay an utmost consideration for the state of satisfaction of the working staff. It is very difficult, if not impossible to expect a quality output by ignoring the essentiality of well motivated and satisfied human capital as input.

A number of factors affect employee satisfaction and productivity (Singh Daljeet et.al, 2011) in the work process. A few of these factors are mentioned bellow.

2.4.1. WORK ENVIRONMENT

The work environment plays a significant role in feeling and satisfaction of employees. Work environment that is unfavorable for work de-motivates employees and reduces productivity. Furthermore, such environment increases risk of accidents and damage to personnel. Work environments where negative stress is high, employee's level of satisfaction falls considerably. When a job does not correspond with employee's personal life, or is the source of anxiety and confusion, it's stressful. Also, work places must be in normal conditions allowing employee to do their job properly. In work places

where there is not sufficient conditions employee motivation level decreases and such a situation affects employee job satisfaction negatively.

2.4.2. ORGANIZATIONAL FACTORS

These factors, though, may seem simple, hurts the morale and satisfaction of employees beyond imagination. Such factors mostly stem from irresponsible or ignorant bosses that fail to understand the effect of their actions on employees and their tasks. For instance, most employees expect salary increment, promotion, bonus, training and other similar conditions be distributed fairly, mainly based on job performance and academic preparation. In other words, employees are more satisfied when their works are fairly rewarded. Likewise, promotion opportunities influence job satisfaction in different ways. Job related opportunities also increase employee satisfaction. For example, a job which has an opportunity to participate in projects, presenting competition and requiring more responsibilities.

2.4.3. BEHAVIORAL FACTORS

Such factors also play a substantial role in employee satisfaction. For instance, employees feel satisfied when they are given responsibilities and carry out their tasks accordingly than being regularly monitored and controlled. Studies have shown that employees that are given more freedom and responsibility are productive, feel more satisfied and motivated than employees that are controlled and seriously supervised. Similarly, rewards (material or monetary) are very important in job satisfaction. Money meets luxury needs and wants of people, along with their fundamental needs. Generally, employees accept salary as supervisors' reward for the work they have performed.

Recent studies have also proven that incompetent, irresponsible and negligent supervisors or managers are one of the dissatisfying factors which affect job satisfaction. Managers interested in employees' work, assisting them in solution of their work related and personal life problems and also developing informal relations together with the formal ones are increasing employees' job satisfaction

2.5. FACTORS AFFECTING PRODUCTIVITY

2.5.1. ATTITUDE

Attitude is a critical factor that affects productivity. Studies show that employees with positive attitude are happy and productive. An employee with a positive attitude usually enjoys the work that they do and feels empowered and recognized for their contributions whereas employees with bad attitude are non cooperative, ignorant and careless for their work.

2.5.2. NON COMPETENT BOSSES

Studies also show that productivity is determined by employees' relationship with their immediate supervisor. When the bad boss fails to keep promises, never gives credit when due, makes negative comments, or blames others for their mistakes, the productivity level of their employees is significantly impacted. Irresponsible, ignorant, and partial supervisors de-motivate employees whereas supervisors, who motivate, inspire, encourage and reward employees result in good performance.

2.5.3. HEALTH OF EMPLOYEES

Health concerns, naturally, are a big drain on an employee's ability to be productive, and companies know it. Sick employees are weak, non responsive and can't concentrate at their work. Besides, they are irritable and at times quarrelsome with friends and or bosses.

Health of employees extends well beyond sickness, as absence of disease does not necessarily mean health. Health encompasses state of complete physical, mental

2.5.4. INAPPROPRIATE TOOLS AND TECHNOLOGY

It is obvious that appropriate tools and technology enhances productivity by multiplying energy, maximizing accuracy and minimizing risk. In today's competitive environment, using old tools and technology significantly deters efficiency and productivity to the point that the organization fails to compete with similar institutions. Companies that don't upgrade or ignore the necessity for up-to-date technology and tools run the risk of diminished employee productivity.

2.5.5. TRAINING OPPORTUNITIES

Availability of advanced technology and sophisticated tools could not improve productivity by itself unless the employee is familiar with the technology and capable of using and operating the technology perfectly. As a rule, employees should be given appropriate training before assigned to operate any machinery or use any tool. Provision of training increases productivity considerably.

2.5.6. TEAM WORK SPIRIT

In any production process where two or more people work simultaneously inline, it is inevitable that the performance of one affects the other. In almost all business

organizations, people work in teams or groups being assigned in departments, units, or other similar categories. Like honey bees, employees should be able to work in cooperation with friends and supervisors. It is very hard to expect abundant production where team work is lacking.

2.5.7. OPTIMAL WORK HOURS FOLLOWED BY APPROPRIATE REST

Like all machines, human body is subject to wear and tear as work hours get longer and longer. Allowing workers to work for long time continuously decreases productivity **by** reducing concentration and total energy of workers. Lengthy work hours result in fatigue, stress, irritability, vision and hearing inaccuracy, head ache, elevated blood pressure and may even cause the employee to fall sleep right at the work place. Therefore, appropriate rest hours should be given for workers to regain strength, concentration and interest.

2.5.8. RESPECT AND WELFARE

Irrespective of their position, sex, age and level of education, all employees need their human rights respected and treated humanely. No one naturally accepts and tolerates abuse and disrespect. Employees do not want to work with co-workers or supervisors who do not show them respect. As human beings, employees do not tolerate sexual harassment, verbal abuse and physical abuse such as striking or pushing. Such conditions irritate employees and kill interest and motivation for work. No employee likes to work in an environment where humanity is not respected.

CHAPTER THREE

FINDINGS, RESULTS AND DISCUSSION

3.1. FINDINGS AND DISCUSSION

All the ten employees had completely filled and returned the questionnaire, resulting in 100 percent response rate. Basic bio-data collected from respondents is presented in table 4-1.

Table 4-1: Personal data of respondents of Licha flour factory, August 2013.

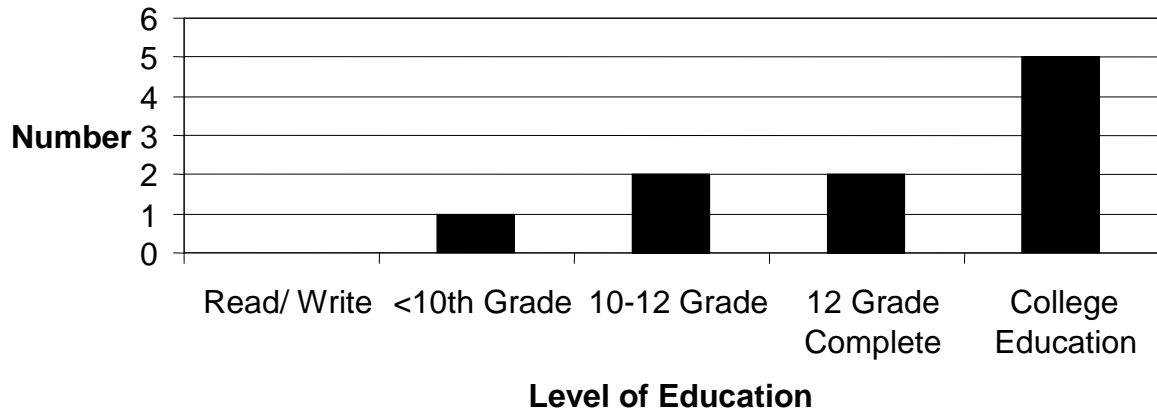
Age	SEX		Total
	Male	Female	
< 18 years	0	0	0 (0%)
18-30 years	5	2	7 (70%)
31-45 years	2	1	3 (30%)
46-65 year	0	0	0 (0%)
>65 years	0	0	0 (0%)
Total	7	3	10 (100%)

As it can be seen from table 4-1, about $\frac{2}{3}$ rd of the employees were aged 18 to 30 whereas there were no employees aged below 18 and above 46. Only 30% of the employees were found to be females.

Employees were also asked to mention their academic level. Despite the fact that majority of the employees were qualified with post secondary education (college or

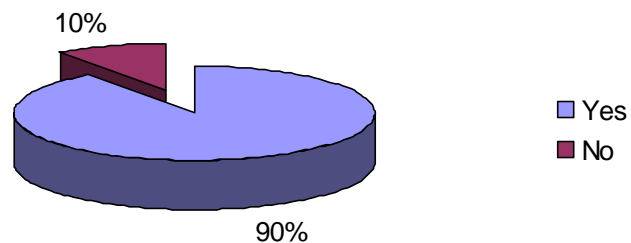
university), no employee were found who cannot atleast read and write. Figure 4-1 depicts level of education of employees.

Fig. 4-1: Level of education of Licha flour factory, August 2013.



It is obvious that training of employees has a double advantage; it improves the capacity of the individual and also serves as an option for motivating workers. The training could be given before the employee is assigned for a specific task (pre-service training) or could be given while the employee is at work (on-the-job training). As it is shown in figure 4-2, 9 (90%) of the employees have reported that they have taken appropriate training for the task they are assigned at.

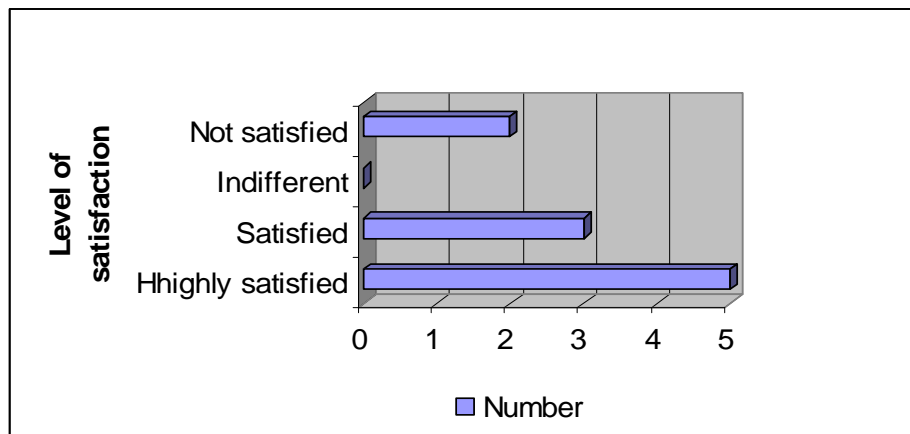
Fig 4-2: Proportion of employees who have taken training



As it has been repeatedly described, management of human power is very challenging for de-satisfied employees can not produce a product of the required quality and quantity. One of the very basic responsibilities of managers is, therefore, to routinely confirm the employees are satisfied to the best possible degree. Although satisfaction of employees is a function of multitude of factors such as amount of salary, relationship with supervisors and co-workers and interest of the employee on the job, it is up to the manager or supervisor to identify the prime factor incriminated for low satisfaction of employees and correct it immediately. The employees of the factory have reported that majority of them are satisfied with their job. Figure 4-3 shows the level of satisfaction of employees.

Despite the above response of subordinate staff regarding level of their satisfaction, managers perception about employees' satisfaction was that they believe almost all employees were satisfied.

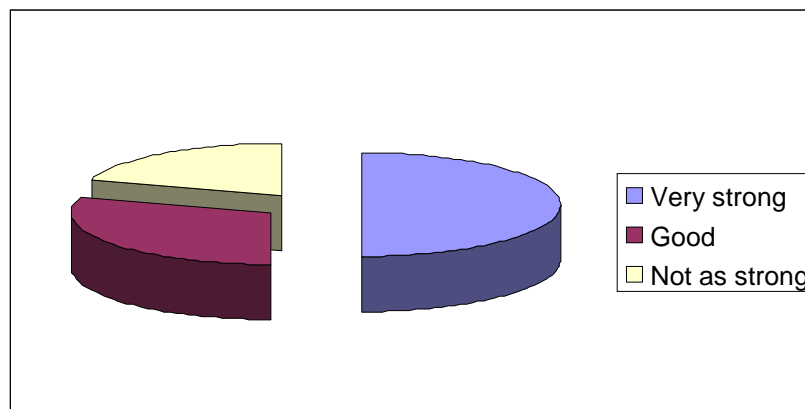
Fig 4-3: Level of satisfaction of employees of Licha flour factory, Aug. 2013.



Likewise, employees who can not integrate very well with their co-workers and supervisors pose a significant problem in the team. Hence almost all business organizations run several processes that demand team work of employees – quality of employees to work together as a unit for the achievement of the desired goal – existence of a team spirit on the part of the employees is absolutely essential. In any team work, a problem in one member of the team is reflected in the work and output of the rest of the team.

Majority of the employees reported that there was a very strong team spirit among employees of the factory as it can be seen from figure 4-4 below.

Fig 4-4: Perception of employees of Licha flour factory regarding existence and level of team spirit.

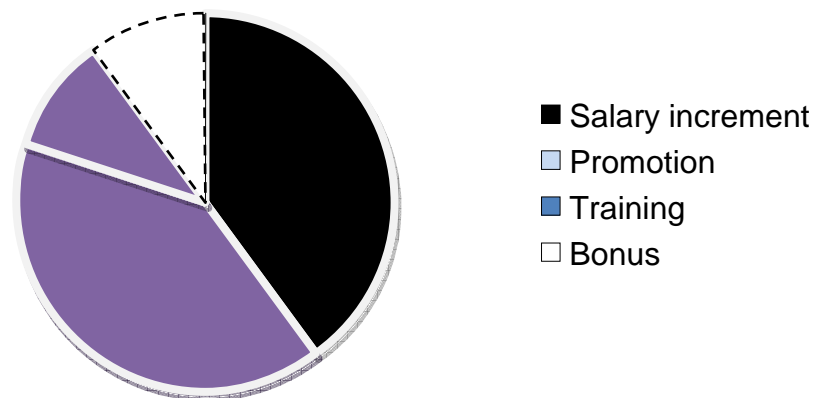


It is a well-established fact that employees' work spirit should be always fresh and intact for achievement of the desired objective. In this line, all possible factors that deter the work spirit of employees should be minimized, if possible avoided. On the other hand, measures should be taken that encourage and fire –up the work spirit of employees. Such measures that help employees to boost their work spirit are called motivational measures.

Although these measures best apply in different conditions and for different people, they play very similar role-motivation. There are several options that can be used for motivation and different employees prefer one from the other.

Employees of Licha flour factory have responded that the managers practice different motivational options. Employees have shown differences in preference of motivation options. Of the four options provided, highest preference was reported equally for salary increment and promotion while the least preference was reported for both bonus and training. However, the managers reported that the organization's preferred measure frequently taken to motivate employees was salary increment. Figure 4-5 displays the result.

Figure 4-5: preference for motivational measures among employees of Licha flour factory, August 2013.



As indicated by several scholars, one of the factors that seriously deter employees work spirit is unfair salary increment and promotion. Employees who perceive that they are not fairly treated and deprived of promotion or salary increment will lose interest for work and do not like to stay in the organization unless they have no any alternative.

Such conditions happen when the managers have no clearly and explicitly written criteria for salary increment and promotion. The announcement of these criteria along with strategy of competition for employees helps to clear misunderstanding and minimizes complaints. Also, identifying the competent in person and posting their result clears the possibility of being destructed with rumors and strengthens the alliance between employees and managers.

The managers of Licha flour factory have reported that they usually prepare criteria for promotion and salary increment before stepping in to the action. They also mentioned that thy criteria commonly used for salary increment and promotion included combination of academic preparation, job experience and result of on-the -job performance.

The managers also acknowledged that training of employees have an indispensable contribution to motivate employees and improve production. They reported that they usually give due emphasis to raise knowledge and skill of employees. Measures taken to raise knowledge and skill of employees include provision of gap-filling training, facilitation of peer-to-peer learning, and supporting employees to join formal schooling.

The managers pointed out that they will confirm that the employees have a minimum level of knowledge and skill required for the task during recruitment. Besides, introductory briefing is provided before the employee is assigned to work a specific task. Besides, on-the-job training is sometimes given

The managers indicated that there had no so far occurred considerable communication gap between managers and employees. If it occurs, it will be resolved immediately. The center of communication they indicated is the vision and mission of the organization which is clearly written and posted at the gate of the factory. “Any communication failure that hinders the realization of the vision of the organization will not be tolerated”, the managers said.

The managers also pointed out that the job performance of employees is evaluated on monthly basis using standard performance evaluation checklist. The employee will be informed about his/her performance result, areas that s/he did good as well as points that need improvement.

CHAPTER FOUR

SUMMARY, CONCLUSION AND RECOMMENDATION

4.1. SUMMARY

Based on the findings of the study, it is possible to summarize that the factory's human resource management system is acceptable. This is evidenced from the response of the subordinates and managers. The study conducted showed that majority of the employees are satisfied, and the recruitment as well as promotion process is done based on pre-set criteria which is fair and acceptable. Also, the study proved that the managers are trying to motivate and create interest of work among employees using feasible options.

4.2. CONCLUSION

The results of the study indicated that the managers' habit of monitoring the employees work spirit and satisfaction was appreciable. Besides, the attention given during recruitment to select appropriate staff and training provided before assignment of employees was remarkably great. The availability and maintenance of good team spirit between supervisors and subordinates and among subordinates themselves was also promising.

Based on the results of the study, it can be safely concluded that the human power management system of Licha flour factory was found to be very good from basic principles of human resource management. Besides, the manpower management system has enormous strong points that can be potentially taken as a good model for other similar organizations, although it is not perfect.

4.3. RECOMMENDATION

Based on the results of the study, the researcher likes to make the following recommendations;

1. The factory's strong points such as care during recruitment, effort to motivate employees, attempt to establish and maintain good team spirit and communication, habit of using standard and pre-prepared checklist for performance evaluation and promotion as well as salary increment should be encouraged and boosted.
2. Some employees are found to be not satisfied and the managers should strive their best to identify these dissatisfying factors and provide a timely and appropriate solution before it is too late.
3. It was also observed that some employees have a problem with existence of good team spirit. This signals that there could be 'hidden disagreement' between supervisors and subordinates or among subordinates themselves (or both) that need to be closely searched for and resolved before it is reflected in the work process or the output.
4. Ongoing trainings should be conducted as motivation and to fill skill gap as few employees have reported not to have taken training.
5. The managers should focus on salary increment and promotion than other motivational options as these are the preferred and acknowledged options of motivation among employees.
6. Whenever possible, the managers should participate employees during planning and evaluation of performance of the organization. For maximizing production and

realization of vision, it is mandatory to have a shared vision and mission. Posting vision and mission of the organization does not necessarily ensure sharing of it.

CHAPTER FIVE

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II. Questions for subordinates

3. Educational level:

- Read and write < 10th grade
 10th-12th grade 12th Grade complete College education

4. Work experience at current position:

- Bellow a year 1-2 years 3-5 years Over 5 Years

5. When you start to work at your current position, were you well informed about the job and its details including safety precautions?

- Yes, I was . No, I was not

6. If your answer to question "5" is "Yes, I was", where did you get the information?

- From managers from co- workers and friends
 Others; specify_____

7. Do you clearly know the mission and vision of your organization?

- Yes No

8. Do you clearly know the chain of command of your organization?

- Yes No

9. Have you been given a special training regarding your current position before you start your task?

- Yes No

10. Do you feel that you have a knowledge/ skill gap regarding your current job?

- Yes No

11. Do you feel that your current position is congruent with your capability?

- Yes,I feel so I somehow feel so No I don't feel

12. How do you rate your satisfaction with your current job?

- I am highly satisfied I am satisfied
 I am indifferent I am not satisfied

13. If your answer to question "12" is "I am not satisfied", what do you think is the reason?

- Low salary work load
 lack of motivation Others; specify_____

III. Questions for managers (Top/ middle level)

14. What is the level of training and number of your staff?

- Read and write: Male: _____ Female: _____
- < 10th grade: Male: _____ Female: _____
- 10th-12th grade: Male: _____ Female: _____
- 12th grade complete: Male: _____ Female: _____
- Post-secondary or College education: _____ Male: ____ Female: __
- Total: Male: ____ Female: _____

15. What is the basis of assignment of your staff on a specific job or promotion?

- Experience and length of stay in the factory
- Knowledge, skill and training
- Others; Specify _____

16. How frequent do you evaluate on the job performance of your employees?

- Daily/ weekly
- monthly
- Quarterly in a year
- Yearly

17. How do you rate the job performance of your employees?

- Excellent
- Very good
- Good
- Poor

18. Do you feel that there could be a communication gap between your managers (any level) and subordinates?

- Never, not at all
- yes, sometimes
- yes, very often

19. Do you have a clearly written mission and vision of your organization?

- Yes
- No

20. Do all your staff know the mission and vision of your organization?

- Yes
- No

21. How do you evaluate the team spirit of your staff?

- Strong team spirit
- Somehow good team spirit
- Not that strong

22. If your response to question “21” is other than “Strong team spirit”, what will you plan and do to strengthen team spirit of your staff?

23. As a manager, how do you rate the level of satisfaction of most of your staff?

- very satisfied satisfied
 hard to determine not satisfied

24. If your answer to question "23" is other than "very satisfied or satisfied", what could be the reason?

- Low salary high work load
 Lack of motivation others; specify_____

25. Do you believe that all your staff have acquired the minimum required training, knowledge and skill required for the job on which they are assigned?

- Yes Somehow yes there could be deficiencies

26. If your answer to question "16" is other than "Yes", what are you planning to do for your staff so that they would fulfill the minimum required training, knowledge and skill required for the job on which they are assigned?

- Prepare on the job training
 Create opportunities for peer-to-peer learning
 Help employees to join formal training
 Others; specify_____

27. What will you do to motivate and energize your staff to perform their tasks efficiently and effectively?

- Salary increment On- the -job training
 Promotion Others; specify_____

Thank you very much for your participation once again.

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