



Human Resource Facets in Farmer Producer Companies in Maharashtra State

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ABSTRACT

The present study was conducted in the state of Maharashtra with an objective to ascertain the human resource issues in Farmer Producer Companies (FPCs). For the study Board of Directors and employees of FPCs were selected as sample respondents. The results of the present study revealed that all the directors selected for the study agreed that board's meeting agenda clearly reflects the company's strategic plan or priorities and awareness of what is expected about them as a board of directors. About 95 per cent of the directors agreed that they have a strategic plan or a set of long-term goals and priorities, directions to the staff regarding how to achieve the set goals and participation of all the board members in board meetings. Except few directors, majority of them agreed that all the legal compliances are followed for the better performance of the company's business. The performance of the companies as per the opinion of the directors on an average was ranging from excellent to good. It is very interesting to observe that all the respondents agreed to the factors considered for assessing the business of Producer Company. The study also revealed that employees' level of satisfaction and their functioning is better and are committed to improve their performance. Self-evaluation of the employees of FPCs revealed that they are concerned about the basic stakeholders and so also the works related to FPCs. Deployment of staff pattern indicated that higher proportion of them were devoted for customer service by most of the FPOs in the study area. However, the proportion of employees deployed for other activities was relatively less. It was also observed that almost 75 per cent of the employees were satisfied with their current positions.

Key words: FPCs, Job satisfaction, Human resource, Self-evaluation, Farmer producer

Agriculture has shown an impressive growth since independence. Thanks to green revolution which enabled Indian farmers to achieve desired level of yield and production and thus making the country self-sufficient in food grains. However, since 1950, the share of agriculture in the country's Gross Domestic Product (GDP) declined substantially due to the development of other sectors. But there was only marginal decline in the number of persons dependent on agriculture. Though agriculture sector currently contributes only 13 per cent to total GDP, it still accounts for about 48 per cent of total employment. India had over 145 million farm holdings as per the Agricultural Census, 2015-16. Of this, about 99.85 million were marginal farm holdings i.e. having individual operational land holding of less than one hectare, while another about 25.77 million were small farm holdings with individual operational land holding size less than 2 hectares. Therefore, the marginal and small farm holdings together accounted for a whopping 86.21 percent of the total farm holdings in India [1].

The size of operational holdings in India is continuously declining with every successive generation. The situation has raised serious question on the survivability of

these small holders [2]. Being smallholders, these farmers suffer from some inherent problems such as absence of economies of scale, access to information and their inability to participate in the price discovery mechanism. The participation of farmers is observed to be restricted by limitations like poor vertical and horizontal linkages and limited access to market, training and to finance [3]. The problem of access to market is even more pronounced for small and marginal farmers.

The challenge now is to optimize benefits through effective and efficient means of aggregation models. The concern now is how to aggregate these smallholders and bring in economies of scale. It is equally important to link these increasing smallholders to the markets (input and output). Several attempts have been made in the past to aggregate the farmers. One such pioneering attempt was promotion of cooperatives performing various activities in agriculture including input supply. Cooperatives, a century old initiative, have achieved a limited success due to inherent systemic problems. Except a few successful cooperatives in Maharashtra, Gujarat and Karnataka, these cooperative models could not be emulated in other regions of the country. However, cooperatives induced many good practices into the system and were followed by introduction of many aggregation models such as SHGs, FIGs, CIGs and Growers Association etc. But these models also could not achieve desired results. Hence, in order to safeguard the farmers, especially, small and marginal farmers, the Department of

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Agriculture and Cooperation, Ministry of Agriculture and Farmer Welfare, Govt. of India has identified Farmer Producer Organization (FPO) registered under the special provisions of the Companies Act, 1956 (As amended in 2002), now Companies Act, 2013, as the most appropriate institutional form of aggregation of farmers. The main objective of mobilizing farmers into member-owned producer organizations or Farmer Producer Companies (FPCs) is to enhance production, productivity and profitability of agriculturists, especially small farmers in the country.

The efforts of the government in promoting and strengthening FPOs in India through different government agencies like NABARD and SFAC, implementing various schemes, policies, funding pattern etc., is quite appreciable. However, for the success of any organization, leadership and quality of human resource plays a crucial role. As a matter of fact, lack of awareness among different stakeholders is posing a serious threat for sustaining these FPOs. Hence, in addition to the government efforts, to build up a strong and standard producer organization, proper human resource is very essential and it has to be given top most priority. Human resource management plays an important role in assuring employee satisfaction, improving performance and productivity of the organization, tackling legal issue of the company and on the whole directly contributes to the success of the organization. The human resource of FPCs include Board of Directors, Chief Executive Officer (CEO) and employees working in different departments. The directors play a key role in formulating objectives and strategies of the company, whereas the CEOs are involved in various aspects of functioning of FPCs and also assist the board of directors in framing the strategies for effective functioning of FPCs. Hence, keeping in view the importance of human resource in an organization, an attempt has been made in this study to identify and analyze the role of human resource viz. directors and employees of Farmer Producer Companies in Maharashtra.

MATERIALS AND METHODS

The present study was conducted in Maharashtra state as it is one of the leading states in setting up FPCs and also host a number of successful FPCs.

Sample size: For the purpose of present study, twenty (20) farmer producer companies registered in Maharashtra were selected and from each of these selected companies, two directors and two employees working with the company were selected for the study. Thus, the total sample respondents selected for the study were eighty (80).

Source of data: In accordance with the objective of the study, primary data was collected with the help of a well-structured interview schedules from the directors and employees of each producer company selected for the study on various aspects like job performance of the board of directors, business assessment of the company, competitive position of the FPCs, major challenges faced by the companies, job satisfaction, self-evaluation of the employees etc.

Analytical tools: The collected data was analyzed using Likert's scale at five-point continuum and simple percentages were also worked out.

RESULTS AND DISCUSSION

The data collected was analyzed using appropriate techniques and presented as follows:

Directors in farmer producer companies

From the data collected, it was observed that the main role played by the directors in the selected producer companies were as follows:

- Contribute to the business of the company through their knowledge and skills
- Critically analyze the performance and operations of the company
- Act as a professional aide
- Offer their professional expertise in the relevant field
- To Establish sound business principles and ethics
- To Act as a mentor to the management body

Job performance of board of directors

From the (Table 1), it is evident that all the directors agreed that board's meeting agenda clearly reflects the company's strategic plan or priorities and awareness of what is expected about them as a board of directors. About 95 per cent of the directors agreed that they have a strategic plan or a set of long-term goals and priorities and the board gives directions to the staff regarding how to achieve the set goals and participation of all the board members in board meetings. Except few directors, majority of them agreed that they are familiar with what is in the organization's by laws and governing policies and all the legal compliances are followed for the better performance of the company's business. Substantial portion of the directors agreed to most of the statements regarding roles to be played by them. Except few of them who were neutral to some variables. These results are positive indication towards management and operation of PCs and the crucial role of BODs. Substantial portion of the respondents agreed towards other aspects in varied proportions.

Directors opinion on the performance of the company

The results on opinion of the directors on the performance of the companies in which they are working are presented in (Table 2). It is revealed from the table that majority of the directors (90%) opined that the company's vision and missions were clear. About 80 per cent of them opined that overall performance of the companies was better compared to previous year. However, 15 per cent of the directors opined that company's effectiveness with retailers was relatively fair. It can be observed that the performance of the companies as per the opinion of the directors on an average was ranging from excellent to good.

This trend is a good sign in the direction of improving performance of the FPCs. However, there lies an immense scope for capacity building of directors in many aspects. They need to be aware of all legal provisions provided in the Companies Act for FPCs. In the field, it was observed that many a time's provisions for joint stock companies not relevant to FPCs are interpreted and applied to FPCs. This is causing inconvenience for proper functioning of FPCs. Majority of the CAs and company secretaries do not differentiate between joint stock companies and FPCs. Few legal provisions of joint stock companies are different for FPCs. The details of these legal provisions for FPCs are provided in chapter IX A of Companies Act, 2013.

Business assessment of the company

Table 1 Job performance of board of directors of FPC (in Percentage)

Question	Percentage of respondents				
	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Whether the company directors have the strategic plan or a set of clear long-term goals and priorities	-	-	5	60	35
Whether the board's meeting agenda clearly reflects the company's strategic plan or priorities	-	-	-	60	40
Whether the board ensured that company has one-year operational business plan	-	-	10	50	40
Whether the board gives directions to staff on how to achieve the set goals	-	-	5	55	40
Whether the board communicates the company's accomplishments and challenges to the member stakeholders	-	-	10	25	65
Whether all the board members participate in the board meeting?	-	-	5	65	30
I'm aware of what is expected of me as a board of director	-	-	-	60	40
Directors are familiar with what is in the organization's by laws and governing policies	-	-	10	75	15
Directors have a good record of meeting attendance	-	-	10	25	65
Directors promote the work of our company in the community whenever I had a chance to do so	-	-	20	30	50
Do you feel like the management team here is transparent?	-	-	15	50	35
Do you feel the senior management is responsible enough to detect, monitor and control the risks in effective functioning of the FPC	-	-	15	40	45

Table 2 Directors opinion on company's performance (in Percentage)

Question	Remark				
	Excellent	Very good	Good	Fair	Poor
The company's vision and direction.	90	10	-	-	-
The overall company operations today, compared with a year ago?	10	80	10	-	-
The financial strength of the company	10	60	20	10	-
The efficiency of workflow in the company	30	55	15	-	-
The company provides skill in marketing products	20	60	10	10	-
The company has ability to develop strong consumer promotions	40	20	40	-	-
The company's focus on improving customer satisfaction	55	25	20	-	-
The quality of relationships with distributors	35	50	15	-	-
The company effectiveness with retailers	40	40	5	15	-
The quality of the promotional activities	50	30	10	10	-
The quality of the sales supports materials	40	30	30	-	-

Business assessment helps a director to achieve company's goals to expand and grow the business in a smart and strategic way. As a director, one should be aware of the strengths and weaknesses of the company. The output of the assessment helps to identify the critical areas of the strategic planning. The details of analysis in this regard are presented in the (Table 3). It is very interesting to observe that all the respondents agreed to the factors considered for assessing the business of Producer Company. Among different factors, 95 per cent of the respondents strongly agreed to the statement viz is company leadership is fully committed towards long term success of their farmer members, the company and the members share a positive, winning attitude (70 per cent) and top management strengthens the company's competitive position (50 per cent) etc.

Many studies revealed that for the success of any organization / institute [4], leadership is very crucial. Besides, cohesiveness among the members, commitment of management and members towards business and sharing of common benefits are other factors which are influencing the performance and sustainability of FPCs. Hence, the board of management including CEOs should have long term vision in this direction.

In evaluating the company's competitive position (Fig 1), it can be observed that the 80 per cent of the directors stated that they aggressively pursue market leadership followed by flexibility in meeting customer's needs (15%) etc.

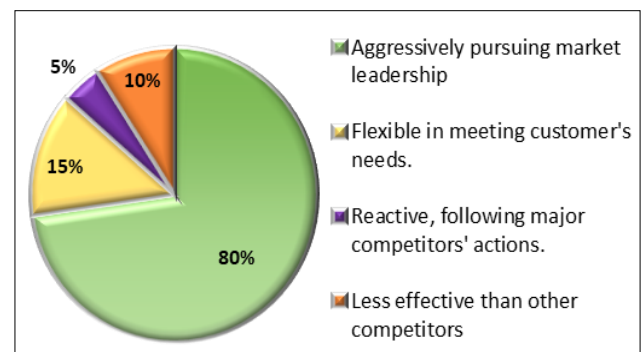


Fig 1 Competitive position of the FPC

As per the information obtained from the directors, listed below are the socio-economic benefits attained by the farmer members for being part of the producer companies.

1. Increase in crop yields and quality of the produce
2. Increase in income
3. Dividends to the farmers
4. Assured markets for sale of their produce
5. Increase in nutritional status of the family members

In addition to different activities performed by the directors, their active participation in capacity building programs in various aspects of farmer producer companies like business management, legal aspects, regulatory compliance and market linkages etc., is quite appreciable.

Table 3 Opinion of the directors working in FPCs about business assessment of the company (in Percentage)

Question	Remark				
	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree
Company leadership is fully committed to the long-term success of their farmer members	95	5	-	-	-
Top management responds adequately to needs in the marketplace.	10	90	-	-	-
Top management strengthens the company's competitive position.	50	50	-	-	-
Company leadership can be trusted to do what they say they will do.	45	55	-	-	-
Company leadership is committed to supporting and work with the sales team.	40	60	-	-	-
The company and the member of FPC are unified, moving in one direction together.	30	70	-	-	-
The company and the members share a positive, winning attitude.	70	30	-	-	-
There is effective communications between the company's directors and the member farmers	40	60	-	-	-
The board of directors listens to and understands farmer member needs.	45	55	-	-	-

According to the directors, major challenges faced by the companies are as follows:

1. Weak financial support
2. Market linkage
3. Collection / mobilization of shares
4. Adoption of new technology
5. Lack of skilled labour
6. Exports of produce to other countries
7. Weak supply chain management

The following suggestions were made by the directors for improvement of the company.

1. Focus on financial support
2. Adaptation of new technology
3. Training for farmers on grading and packaging
4. Training program for directors on management aspects
5. Connect to export market facilities
6. Provision of technical service
7. Focus on marketing linkage
8. Development of warehouses

9. Technical knowhow or facilities/ Processing, value addition and exports

The above findings reveal that on the activities like capacity building, leadership, business ideas and financial issues etc., the board of management need to conceptualize ideas which can translate into company's business and push it towards sustainability. The very composition of FPCs by the policy makers is to find a one-stop solution to the problems faced by the farmers in the country. Furthermore, the very culture of a FPC should necessarily be farmer-friendly for its success.

Employees in farmer producer companies

Employees are the most important players in the successful functioning of FPCs. They should strive hard to achieve the goals and objectives of the organization. Hence, keeping in view the role of employees in an organization, a field survey was conducted to analyze the job satisfaction of employees and other related aspects.

Table 4 Assistance from the organization (n = 40)

Question	Remarks				
	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree
I feel encouraged to come up with new and better ways of doing things by working with FPC	24 (60)	16 (40)	-	-	-
My work gives me a feeling of personal accomplishment.	22 (55)	18 (45)	-	-	-
I have all the tools and resources to do my job well and efficiently	18 (45)	18 (45)	2 (5)	-	2 (5)
On my job, I have clearly defined quality goals	22 (55)	8 (20)	10 (25)	-	-
My job makes good use of my skills and abilities to full extent	32 (80)	8 (20)	-	-	-
My supervisor's manager visibly demonstrates a commitment to quality	10 (25)	30 (75)	-	-	-
How satisfied are you with the information you receive from management on what is going on in your division or on field?	30 (75)	8 (20)	2 (5)	-	-
How satisfied are you with your opportunity to get a better job and position in this company?	16 (40)	22 (55)	2 (5)	-	-

Figures in parenthesis represent percentage to total employees

Assistance from the organization

From (Table 4) reveals that 80 per cent and 75 per cent of the respondents strongly agreed that their skills and abilities are best utilized in the job and were satisfied with the information received from the management respectively. However, only 25 per cent of the respondents strongly agreed

that supervisors visibly demonstrate a commitment to quality. 25 percent of respondents neither agreed nor disagreed for having clearly defined goals in the job while the remaining 75 percent agreed to strongly agree to the statement. More than 55 per cent of them strongly agreed that they feel encouraged to come up with new and better ways of doing things and the

work gives them a feeling of personal accomplishment. The results of field survey reveal that employees have job satisfaction and their functioning is better. It also indicates that Board of Management gives due importance to employees and are taking care of their needs. This trend indicates that the assistance from the organization is high which helps the employees to better perform their roles.

Job satisfaction of the employees

For any business to flourish, contribution of the employee matters a lot and it comes with the level of motivation attained by them in the organization. The dedication towards work and getting maximum output may happen when there is an appropriate human resource policy and conducive work environment in place. Hence, job satisfaction of employees working in selected FPOs was ascertained and presented in (Table 5). About 30 per cent of the respondents strongly agreed that they are rewarded for the quality of their efforts and overall satisfied with the job. It is interesting to note that, 45 per cent of the employees somewhat agreed and 15 percent strongly agreed that their job makes a difference in the life of others. 50 percent of the respondents agreed that they are valued by their supervisors and they solved customers problems while almost equal no. of respondents disagreed the statement. It is revealed from the above analysis that employees working with FPOs are relatively happy with respect to various factors. However,

some amount of dissatisfaction may be due to low remuneration paid to them. This may be due to the fact that many FPOs are in nascent stage and yet to achieve scale and realize profit for making payment of wages commensurating with the job done by the employees. Nevertheless, it is not a discouraging aspect and may gradually improve with increase in scale and by inculcating more professionalism in the functioning of FPOs.

Self-evaluation of the employees

For assessing the self-evaluation of the employees, they were asked to compare themselves with an average employee in their position and rate their own productivity and quality of work. From the details presented in (Table 6), it is evident that 55 per cent of the respondents' self - evaluated and stated that they respond quickly and courteously to fulfil the needs of the farmers. About 60 per cent of the respondents opined that more than 30 per cent of their productive time was spent working on the tasks assigned to them by the company. Majority of the respondents evaluated that their work productivity falls in between 30 to 50 per cent of their efforts. Self-evaluation of the employees of FPOs revealed that they are concerned about the primary stakeholders and so also the works related to FPOs. However, the productivity and efficiency of the employees may enhance as they acquire more experience and skills. In ensuing days, the employees may serve all the stakeholders in a better way.

Table 5 Employee job satisfaction (n = 40)

Question	Remark				
	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
I experience personal growth such as updating skills and learning different jobs	6 (15)	14 (35)	6 (15)	6 (15)	8 (20)
I am rewarded for the quality of my efforts	8 (20)	4 (10)	6 (15)	10 (25)	12 (30)
I am valued by my supervisor	12 (30)	6 (15)	2 (5)	10 (25)	10 (25)
My job makes a difference in the lives of others.	10 (25)	0 (0)	6 (15)	18 (45)	6 (15)
I solve customers' problems	16 (40)	4 (10)	0 (0)	10 (25)	10 (25)
Overall, I am satisfied with my job.	8 (20)	8 (20)	0 (0)	12 (30)	12 (30)

Figures in parenthesis represent percentages

Employees retention

Employee retention refers to the ability of an organization to retain its employees. There are different strategies to retain an employee some of which are mentioned below:

Department and position in the organization

In general, for an employee to have work satisfaction, the department in which he/she is working and his/her position in the department are important. As can be observed from the (Fig 2), the respondents are working in three departments' viz. customer service (45 per cent), finance/accounting (20 per cent) and sales/marketing (35 per cent). As far as position is considered, 35 per cent of the respondents' occupied clerical position, 20 per cent are technicians, 25 per cent of them are managerial staff and 10 per cent each worked as project managers and accountants.

Deployment of staff pattern indicates that higher proportion of them were devoted for customer service by most of the FPOs in the study area. However, the proportion of employees deployed for other activities was relatively less. Thus, it is revealed that FPOs, in the quest of increasing the business performance, gave an emphasis on satisfying the customer needs. However, the portfolio like marketing and finance also may be given more importance. None of the

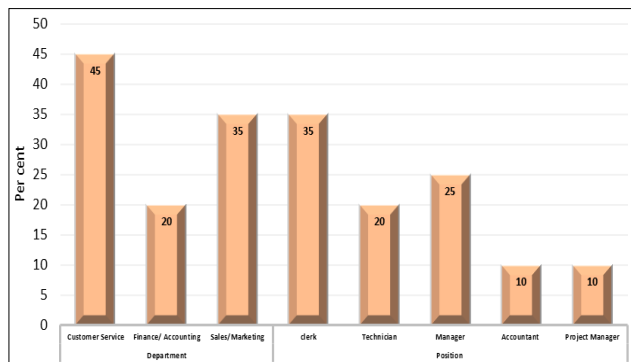


Fig 2 Department and position of employees

FPOs in the study area deployed Subject Matter Specialist (SMS) such as plant protection expert, agronomist and specialist. Though, about 35 per cent of the employees worked as marketing specialists, lack of deployment of specialists might be due to the low scale of business. FPOs might have

resorted for availing adhoc services whenever required. Hence, there is a need to increase the scale of business and deploy more number of specialists for sustaining the business of FPOs.

Table 6 Self-evaluation of the employees (n = 40)

Question	>20%	>30%	50 %	< 30 %	< 20 %
Productive time spent working on the tasks assigned to me in company	8 (20)	24 (60)	8 (20)	0 (0)	0 (0)
Overall productivity in getting the job done	14 (35)	10 (25)	12 (30)	0 (0)	4 (10)
Going beyond what is expected of me to make customers/farmers happy	8 (20)	14 (35)	16 (40)	2 (5)	0 (0)
I respond quickly and courteously to fulfil customers'/farmers' needs	8 (20)	6 (15)	22 (55)	4 (10)	0 (0)
The overall quality of service that I provide	8 (20)	14 (35)	14 (35)	4 (10)	0 (0)

Figures in parenthesis represent percentage to total respondents

Experience: From the (Fig 3), it is observed that 45 per cent of the respondents have an experience of six months to one year and 40 per cent fall in the category of one to three years. However, ten per cent of the respondents have a good experience of 3-5 years and only 5 per cent of them are beginners with a low experience of six months. The situation of hiring inexperienced human resource gives scope for creating a dedicated cadre. For this, several capacity building programs, skill development programs, educational programs are launched by government and other agencies. The benefit of these capacity building programs may be leveraged by the Board of Management of FPCs towards increasing efficiency of their employees.

per cent were very dissatisfied. Around 15 per cent could not express their opinion and were neutral. The results indicate that the human resource engaged with FPOs is relatively happy. This indicates that Board of Management of FPOs are treating employees well and it is a win-win situation. To scale up the business of FPOs, the employees need to work hard and there should be professionalism among them. On the other hand, Board of Management of FPOs are treating them well which may yield benefit in terms of increase in the scale of business.

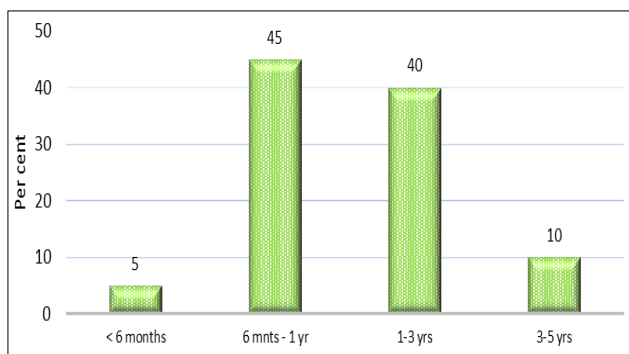


Fig 3 Experience of the employees of FPCs

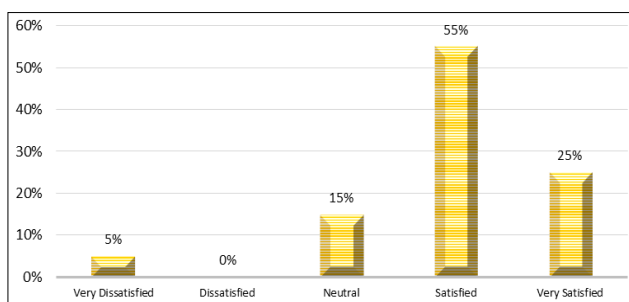


Fig 4 Employees level of satisfaction

Level of satisfaction: Employees level of satisfaction with the current position was analyzed and the results are presented in the (Fig 4). It can be observed that on the whole, 55 per cent of the employees were satisfied with the current position and 25 per cent were very satisfied. However, only 5

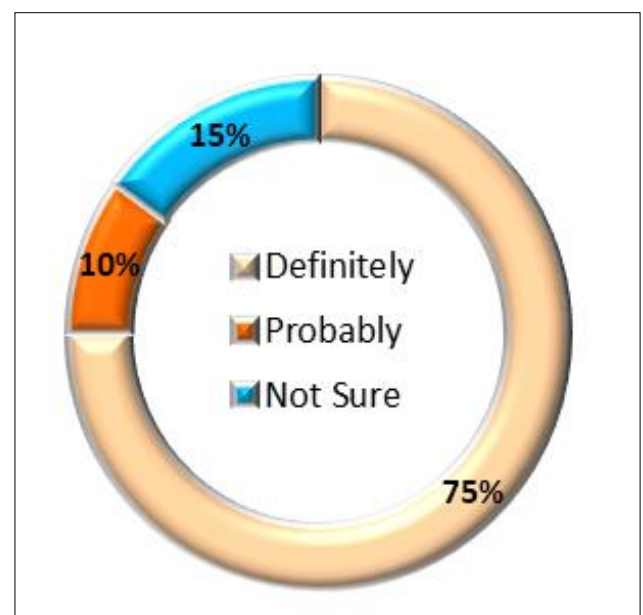


Fig 5 Advising a friend

When the respondents were asked whether they advise a friend to apply for a job in the company in which they are working, it is observed that (Fig 5), 75 per cent of them responded positively i.e. definitely they give an advice to join and 15 per cent were not sure about that. It is very interesting to note that as per the data collected, none of the respondents experienced racial or gender discriminations and sexual harassment at the producer companies. On the whole, it can be noticed that the employees were satisfied with their work, strongly opined that they are being recognized by their higher ups and hence could advice their friends to join in producer companies as employees.

CONCLUSIONS

The study concluded that, the board of directors were very clear about the company's strategic plans in setting up long-term goals and directing the staff in achieving the goals, creating awareness on the company's legal compliance etc. This is a positive indication towards management and operation of FPCs. It is also observed that the performance of the companies as per the opinion of the directors on an average was ranging from excellent to good. This trend is a good sign in the direction of improving performance of the FPCs. However, from the field survey it was felt that there lies an immense scope for capacity building of directors and other stake holders in many aspects of functioning of FPOs. The observations have also suggested that the board of management including CEOs should have long term vision in this direction. The companies also hold a good competitive position. However, there is an utmost need to solve the major challenges faced by the companies like weak financial support, market linkage, adoption of new technology,

international trade, weak supply chain management etc. as the very culture of a FPC is farmer-friendly for its success. The outcome of field survey revealed that employees level of satisfaction and their functioning is better and are committed to improve the performance which indicates that Board of Management is giving due importance to employees and are taking care of their needs. Moreover, there exists some amount of dissatisfaction due to low remuneration paid to them. This may be due to the fact that many FPOs are yet to achieve scale and realize profit for making payment of wages in tune with the job done by the employees. Nevertheless, it is not a discouraging aspect and will naturally improve by more professionalism in the functioning of FPOs. It was also observed that the producer companies focused much on deploying the staff in customer service department and the proportion of employees deployed for other activities was relatively less. Thus, it is revealed that FPOs in the quest of increasing the business performance, gave an emphasis on satisfying the customer needs. However, the portfolio like marketing and finance also should be given more importance.

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