CHAPTER II

REVIEW OF LITERATURE
CHAPTER – II

REVIEW OF LITERATURE

Review of literature is essential for every researcher to carry on the investigation successfully. Once a topic is decided, it has a bearing on the topic. In fact, review of literature begins with a search for a suitable topic and continues throughout the duration of the research work. A thorough review of literature will expose the researcher to the previous researches conducted in the area of study and a careful checking should be made that the present study has not been previously carried out by some one else.

The review of literature helps to have first-hand knowledge about the parallel work done by others. It helps the researchers to decide the topic, objectives and methodology and to have a comprehensive understanding of the present study. Several studies have been undertaken on the personnel management in India. A number of research papers have been published by academicians and practitioners in India and abroad.

Since the related review about the topic under research is limited, an attempt was made to compile the reviews given by various experts relating to Human Resource Development Practices from various articles, journals and magazines.
Philip\(^1\) observed in his article entitled "HRD in India, Experiments and Experiences" that Steel Authority of India Limited (SAIL) took a lead in adopting HRD experiments for both managers as well as for workers. The objectives of HRD programme in SAIL are (i) to encourage everyone to grow to their fullest potential (ii) to provide equal opportunities to workers in the organization. The assumption underlying SAIL’s approach is that HRD is not just in-house training, but includes planned job-rotation, understudy arrangements, task forces and special assignments, and participation as MDPs available in India and abroad.

Banerji\(^2\) collected data from supervisors who had undergone training on Indian Engineering company. They administered a check list by which the responses indicated that the inputs in industrial relations have little or no impact on their effectives. However most of them felt that training improve self confidence, motivation, identification with management goals, communication ability and skill.

Narendra K. Sethi and Manju Abuja\(^3\) in their study has upheld the importance of human resource planning. Human Resource Planning is important for precisely the same reason that planning in general is significant. The study has

---


found that through human resources planning, management strives to have the right number and right kind of people at the right places at the right time, doing the right thing, which result in both organization and the individual receiving maximum long-run benefit.

Kulkarni⁴ in his article "Managing Human Resource Development Programmes (HRDP) : Challenges and Opportunities" has observed that schemes and project designed to serve basic human needs such as health, education, food etc. do not directly contribute to an organisational business objectives. Serious corporate effort has been initiated towards inducing modern management techniques as an aid to the efficient running of the "HRD". The study envisaged the importance of introducing these techniques and methods of HRDP’s and had discussed their various dimensions. His opinion is that the management movement had not caught up among the managers of HRDP and it will not do so, unless agencies like All India Management Association and a number of corporate bodies make a conscious and deliberate effort to generate management methods among the policy makers and managers of HRDP’s in the country.

Ram S. Taneja⁵ in his article "Towards Better Technology : Utilizing Human Resources" has observed that only through managing the human resources

properly we can manage machines, finance, marketing and production. We as a nation to upgrade our standard of living, we should be able to adopt technology to suit our environment and conditions. We can adopt new technology only through "developing" the human resources.

Chetty and Krishnaswamy⁶ in their article “Skills of Human Resources: Need for Periodical Review” have focused the need for periodical review of human resources and this study found that areas such as participative management, employee turnover, job data, training, employees retraining programme etc. need periodical review for effectiveness. Whenever there is a change in the level of organization activity, either expansion of existing product range or addition of new products or services, the impact is felt on manpower allocation and requirements. The degree of impact depends upon the intensity of change in the activity levels. If periodical HR reviews are undertaken the process of change and adjustments with regard to human resources development and utilization are greatly facilitated.

Suri⁷ in his study “Training for Productivity in Industry” has stated that effective use of materials, money, machines and human resources is essential for achieving a higher level of productivity in industry. Whereas other resources have limitations, the human resources has unlimited potential. Its quality can be

---


improved by intervention and training. He has concluded that our knowledge on
the impact of training on productivity, facilities and constraints is highly
inadequate.

Ramanathan\(^8\) in his view, says that the objective of any Human Resource
Development system and process is to build a proactive organization and create an
'enabling' environment that seeks not to respond or react to change but to create
change and dynamism. He believes that the thrust of HRD is therefore on creating
'people using organisation'.

Dayal\(^9\) discusses that HRD is important for growth of the organization and
is a good investment for the future. He points out that HRD is not an isolated
exercise and HRD should be taken up as a part of several other programmes to
improve organizational performance.

Venkatapathy\(^10\) describes in his article entitled "Human Resources
Development, Concept and Measurement" that HRD helps the employees in
contributing to the growth of the organization. The contribution to growth leads to

---

\(^8\) Ramanathan, S., "Organizational Effectiveness", Human Resources Development, *National HRD Net

\(^9\) Dayal Ishwar, "HRD in Indian organizations : Some Approaches", *National HRD Network*, Jamshedpur,
1989.

\(^10\) Venkatapathy R., "Human Resources Development, Concept and Measurement", *Unpublished Research
better performance and growth itself contributes to HRD. Hence HRD should be assigned to pivotal role in all global and competitive organizations.

Jyothi\textsuperscript{11} in his article "Training and Development of Human Resources" has explained that HRD is a broad term which indicates all activities designed to get employees to work more effectively within a given organisation. It builds knowledge, skill and capacity of human resources to develop their competence. The development of human skill automatically increases business productivity. His opinion is that HRD development of people lies in the organizational growth and progress. It was therefore found that training being the most vital tool of human resource development naturally forms the major part of the present human resources development.

Ulrich and Lake\textsuperscript{12} pinpointed that HRM practices are the primary tools for enhancing the competence of the people. This happens through the process of acquiring developing and retaining competent people within the organization.

Gani\textsuperscript{13} in his article "Personnel Challenges by 2000 AD" has stated that the year 2000 will present an inter play of various economic, social, cultural, legal and

\textsuperscript{11} Jyothi S.S., "Training and Development of Human Resources, HRD Strategic Approaches and Experience" (Edited by Dr. B.L. Mathur), Arihant Publishers, Jaipur, 1990, p.143.


\textsuperscript{13} A. Gani : Personnel Challenges by 2000 A.D. Diss. IIM, Bangalore, January 1991.
technical challenges which would require not only dedicated efforts but also considerable changes in the attitude, working system, strategy and human relation skill.

Lallen Prasad\textsuperscript{14} has made a sincere attempt to cover the elements of personnel management in public enterprises. In his study, he has concluded that the concerned experts must carefully handle every step in Human Resources Management. No effort should be spanned in recognizing and utilizing human efforts.

Venkatraman\textsuperscript{15} in his study on "Human Resources Development: Concept, Theory and Practice", rightly focuses on the practices of HRD as his philosophy as far back from the year 1990. He was the first and the foremost industrialist in providing facilities like health care, education, housing, retirement benefits and canteen facilities to employees working in the organisations under his leadership.

Venkateswaran\textsuperscript{16} in a note on HRD Climate concludes that early identification of human resource potential and development of their skill represent two major tasks of human resource development.

Munk\textsuperscript{17} in this study on "The New organization Man", suggests that the younger knowledge workers demand an environment that is cause and provides flexibility.

Arun Moses\textsuperscript{18} conducted a study on HRD climate at Kothari Sugars (Pvt.) Ltd. Lalgudi, Trichy. The main objective of the study is to find out the general HRD climate provided in the organization and factors contributing to HRD climate. The findings of the study revealed that the HRD climate was at moderate level.

Manivannan\textsuperscript{19} conducted a study on HRD practices at Dharani Cements Private Limited, Ariyalur (Trichy) by taking a sample of 50 out of 211 employees. A self developed questionnaire was issued which has the dimensions of training and development, HR planning, performance, counseling, performance appraisal, potential appraisal and counseling. The study reveals a lukewarm feeling the employees show toward HRD practices.

Pooja Purang\textsuperscript{20} pointed out in his article "HRD climate: A Comparative analysis of Public, Private and Multinational Organisations", problems like high

employee turnover rates, absenteeism, increasing the motivational level, enhancing employee commitment, etc. which reflect the employee’s satisfaction and morale. The study concludes that employees participation regarding HRD climate is significantly better in the private sector and multinational organisations in comparison to the public sector organisations. Appraisal and reward mechanism should be such that it makes employees feel safe, happy and help to develop their potential to the maximum.

Srimannarayana\textsuperscript{21} noted in his article “Human Resource Development Climate in Dubai Organisations” concludes that the climate is at an average level. In comparison, it is observed that HRD climate in banking business is higher than other business. This is followed by the insurance and shipping businesses. Low level of HRD climate is observed in tourism, food and trading organisations when compared to banking, insurance and shipping organisations.

Jagan\textsuperscript{22} pointed out in his article “HR Management and Practices in Public Sectors” that the public sector enterprises have been successful in implementing HR management polices and practices. The approach of public enterprises towards personnel management provides participation of employees in the HR management practices. The implementation of personnel management policies in


Drucker\textsuperscript{23} points out in his article term “Human Resource” was coined “The Practice of Management”. He presents three broad managerial functions managing workers and work. Drucker introduces the concept of the worker as “The Human Resource” and argues that the Human Resource possesses a quality that is not present in other resources “the ability to co-ordinate, to integrate, to judge and to imagine” unlike other resources utilized by managers, only the Human Resource can utilize itself. “The human being has absolute control over whether he works at all”

Bakke\textsuperscript{24} noted in his article that Human Resource Management emphasize the management actions that come from viewing all individuals within the enterprise as valuable resources that must be thoughtfully managed. This view appears to have made an initial impact on the business world and academia.

Donohoe and Rechelle\textsuperscript{25} examine the importance of the HRD department in increasing productivity by successful implementation of training programs. With

\begin{itemize}
\end{itemize}
the overall goal of productivity improvement, HRD Directors must contribute to the quality of the work force through the support of HRD. A viable program for HRD professionals to bring about training programs should consist of establishing HR philosophy, a HRD policy and integrating HRD into long range organizational planning.

The importance of HRD is determined by the centrality of employee expertise to business success. Many high technology companies in the communication and information technology industries compete in markets where technical innovations are continuous and the half-life of knowledge is measured in months, not years. For these organizations, the availability of state-of-the-art employee expertise has a much stronger influence on strategy formulation than in stable, less knowledge-intensive markets like those in the utility and food processing industries. In the former case, availability of the required expertise must be considered up front as business strategy is taking shape. Knowledge drives product innovation and employees are the carriers of that knowledge. As a vehicle for the continuous development of employee expertise, HRD is a crucial antecedent to successful business strategy.

John\textsuperscript{26} refers in his article that stresses the presence of a systematic training and development process for HRD programs to be effective. The HRD process can

be improved by line management evaluation and by the establishment of training and development options for line managers. Promoting employee growth for the organization's productivity requires that managers have access to quality developmental options and suitable training programs.

Nadler and Nadler\(^\text{27}\) noted in his article that the HRD is looked as a composition of organized learning experiences in a definite time period to increase the possibility of improving job performance and organizational growth. Economic, technological and social trends have created active challenges for business and industry, consequently organizations focused on HRD as a catalytic agent of growth. HRD makes necessary organizational effort to help the managers in adapting, to the emerging changes.

David Needle\(^\text{28}\) puts forth two significant claims i.e. Human Resources Management is distinctive in nature and managing human resources is not the responsibility of any particular individual / group in the organization, rather it is the responsibility of each and every member of the organization to conduct and manage all of them. Further to this the researcher opines that the Human Resources Management practices of an organization needs to be looked as a


framework where the complexities of managing people are worked out in a pragmatic way.

Bailey argued that human talent is often 'under-utilised' and that organisational efforts to elicit discretionary effort from employees are likely to provide a source of competitive advantage that cannot be easily replicated by competitors. Bailey argued that certain HR policies such as basic skill training, coaching, mentoring and incentive compensation can influence such discretionary effort through their influence on employee skills and provide employees with the competencies that are needed to yield returns in excess of any relevant costs. It is posited that the effectiveness of even highly-trained people will be limited if they are not motivated to perform. It is therefore suggested that effective HR policies would influence employee motivation through organisational systems and cultures that encourage them to improve how their roles are performed.

Sheldon pointed out in his article that an increasing body of work contains the argument that the use of High performance work practice, involving comprehensive, employee recruitment and selection procedures, incentive compensation and performance management systems, extensive employee involvement and training can improve the knowledge, skills and abilities of a

29 Bailey T, *Discretionary Effort and organisation of work: Employee participation and work reform since hawthorne*, working paper, Columbia University.

firm’s current and potential employees, increase their motivation, reduce shirking, and enhance retention of quality employee and encouraging non-performers to leave the firm.

Pfeffer suggests that, there is ‘no one best way’ to manage people, organisations adapting most successfully to the new social and economic environment tend to be characterised by a similar set of HR policies and practices. The major individual items typically mentioned in these ‘best practice’ models are; relatively well-developed internal labour market arrangements (in matters of promotion, training and individual career development); flexible work organisation systems; performance-based and/or skill-based compensation practices; high levels of teamwork and employee participation in task-related decisions; and extensive internal communication arrangements.

Michael R. Careel noted that Organisation’s performance and resulting productivity are directly proportional to its human resources. A leading industrialist Jones Birkenstock remarked – “We do not manufacture automobiles, aeroplanes, refrigerators, radios, televisions but we manufacture men and they in turn manufacture the goods”.

Richard J. Torraco, explained in his article, Human resource, along with financial and material resources contributes to the production of goods and services in an organization. It is through the combined and concerted efforts of people that monetary or material resources are harnessed to achieve organizational goals. Physical and monetary resources by themselves cannot improve efficiency or contribute to an increased rate of return on investment. The efforts, attitudes and skills of the people have to be sharpened from time to time to optimize the effectiveness of human resources and to enable them to meet greater challenges.

Jerry Gilley Steven noted that Human Resources is the most complex and unpredictable in its behaviours. There is no cook-book formula to guide and motivate workers. A manager can buy his worker’s time, he can buy his physical presence at a given place, he can buy a measure number of skilled muscular motions per hour or day, but he can not buy worker’s enthusiasm, he cannot buy his initiative, he can not buy his loyalty, he cannot buy his devotion.

Edward E. Scannell pointed out in his article that Human Resources are now recognized as the most valuable input. In order to compete at the international level, organizations are spending time and money for developing HRD mechanism. The climate in which the employees work is affected by the implementation of well-planned HRD instruments in termed HRD claimer.

---