CHAPTER I

NATURE AND DESIGN OF THE STUDY

1.1 INTRODUCTION

Organizations are made up of people and function through people. Without people organizations cannot exist. The resources of men, money, materials and machinery are collected, coordinated and utilized for the formation of an organisation. These resources by themselves cannot fulfil the objectives of an organization. They need to be interwoven into a team. It is through the combined efforts of people that material and monetary resources are effectively utilized for the attainment of common objectives. Without concerted human efforts no organization can achieve its goals. All the activities of an organization are initiated and completed by the persons who make up the organization. According to L.F. Urwich, “business houses are made or broken in the long run not by markets or capital, patents, or equipment but by men”. Of all the resources manpower is the only resource which does not depreciate, with the passage of time.

Human resource has long been considered an important factor in economic development. The word “resource” refers to productive power of natural goods. Human resource is therefore the productive power. Unlike the material resources, the human resources are the participants as also the beneficiaries of economic development process. A successful enterprise stands on sound management which
gets effective results through the people. Experts express that management is an art as well as science of getting things done through and with people of all factor of production. “Labour” is the most important factor and utilization of other resources largely depends on the proper utilization of time and energy on the part of workers. Labour, at all times, has been considered as a separate factor of production. Any work whether manual or mental which is undertaken for a monetary consideration is called “labour” in Economics. The involvement and importance of human element is being increasingly realized by those responsible for the management of industrial establishments. Hence it arises the need for understanding human resource management.

The most important organizational problem to-day is that of personnel administration. Some of the most important topics of research in this area may be skills and abilities needed by management executives, selection and training of employees in business and effectiveness of personnel management programmes.

Rate of growth in human resources is determined by variables such as population structure, migration and labour force participation. Quality of human resources on the other hand is influenced by the status of variables like education and training, health and nutrition and equality of opportunity.

‘Every aspect of a firm’s activity is determined by the competence, motivation and general effectiveness of its human
organization. Of all the tasks of management managing men is the central and most important task because all depend upon how well it is done'.

One of the hall marks of modern management is the ability to plan. Manpower planning means forecasting or predicting the number of people whom the organization will have to raise or promote in a given period. Broadly defined, manpower planning represents a systems approach to personnel management in which the emphasis is on inter-relationship among various personnel, personnel policies and programmes. This contrasts with the more traditional piecemeal approach concerned with selection, training, promotion and the various related but compartmentalized functions.

‘Manpower or the human resources may be thought of as the total knowledge, skills, creative abilities, talents and aptitudes of an organization’s workforce as well as the values, attitude and benefits of an individual involved’.

‘It is the sum of total of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of an organization’s work force as well as the values, and aptitudes of the employed person’s.

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Of all the M’s in the management (i.e., Materials, Machines, Methods, Money and Motive power) the most important ‘M’ is the men or human resources. It is the most valuable asset of any organization.

Manpower planning and human resource planning, though used as synonyms, yet they are different in purport and meaning. In the past, the phrase manpower planning was widely used, but now the emphasis is on human resource planning which is more broad based. Human resource planning is the process by which a management determines how the current organization should move from its current manpower position to its desired manpower position.

Through planning, the management strives to have the right number and the right kind of people at the right place at the right time, to do things which result in both the organization and the individual receiving the maximum long range benefits.

There are many resources employed in an organization. Of all these resources, human resource is the most vital resources because it has life. ‘Plants, office, computers, automated equipments and all else that are modern unproductive except for personnel effort and direction’

Even poorly devised machinery may be made to work if it is manned with well trained, intelligent, imaginative and devoted staff.

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On the other hand, the best-planned organization may produce unsatisfactory results, if disgruntled people manage it.

Even in this age of high technology, people are still the most important assets to an organization. An examination of the most successful business and Government organizations in India and elsewhere has shown the difference between mediocrity and success. The human resources play a vital role in the success of an organization whether it is a small private sector unit or a public sector organization or State/Central Government undertaking.

Small companies have personnel problems different from those of large companies. Manufacturing companies have personnel concerns somewhat different from those of service companies. Similarly, the personnel problems of labour enterprises are different from those of capital intensive enterprises.

Another challenge for the personnel department is the changes and development taking place in technology, communication and other areas of the organization. Whatever organizational changes occur, the personnel management department must help to facilitate these changes through recruitment, selection, training, compensation and other personnel functions.

Poor personnel management not only weakens current performance of the company but also the long term growth and development, it further aborts the personnel ambitions of workers, supervisors and executives. Hence, a good personnel department and
able personnel managers are required to shape the organization for betterment and excellence in various aspects.

All human resources are not homogeneities. Every state has brought a number of legislations to regulate and promote labour process. Whatever, the state of labour (unskilled, semiskilled, skilled, high skilled) it is considered as an asset both to the persons and the nation. Post-war situation had brought number of benefits to the labourers, such as social security, insurance and compensation. Human resources consist of that total skill creative abilities, talents and aptitude of an organizational workforce, as well as the values and attitudes and benefits of the individuals involved in it. Human resource is considered as both the cause and effect of economic development. Labour is being transformed into human capital.

Among the species, human being is the finest one, who needs skills, talent, aptitude, motivation to deliver any goods and services in time with quality. Labour is highly perishable, which needs constant training for upgradation of information. If manpower utilizes optimally certainly the nation-state grows rapidly. In every employed citizen the habit of imbibing “learning curve” is to be naturalized. In India, agriculture is a leading sector which generates more employment, needs scientific training and temper. Education and health are to be speeded up meticulously and compulsorily to all.

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Profit, efficiency productivity and production are interdependent and are positive and progressive when human resources are skillful.

1.2 HUMAN RESOURCE MANAGEMENT

Human resource management is a complicated area as it deals with human beings involving variety of tasks and activities. A wide range of issues covering man power planning, recruitment, personnel, profession, human resource accounting, training and development, human relations in the organization etc., are dealt by human resource management wing of management.

The concept of human resource management is now-a-days used as a synonym of personnel management, when no particular connotation is implied. This concept is merely a guideless substitution for a range of other possibilities-including, ‘employee’s relations; ‘people management’ and the like. To keep the human power happy and content is the most important objective of every management. In order to meet this objective, management must design and implement a set of policies, procedures, and practices. However as time passes, the set of demands and expectations of employees change making the old set of policies, procedures and practices obsolete. This is yet another challenge in personnel management. This happens because the working organizations and working relationships and expectations of employees are dynamic and hence changes. The ‘know-why’ of personnel management is to know

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the reasons, why the behavior pattern of employees changes as time passes. What are the factors influencing such changes in behavior and how much such factors affect such relations and expectations?

The ‘know-how’ of personnel management is to know, how the manager should change his style of leadership, method of direction and existing organizational philosophy, policies, practices and procedures to meet the new challenges and meet the expectations of the employees without diluting the objectives of the organizations.

Factors influencing working relationship can be broadly classified under the following heads:

- Environmental factors
- Organizational factors
- Human factors

Environmental factors deal with external influences such as social, political, economic, primary group, customs, traditions, values, and culture. Organizational factors are organizational culture, traditions, values, philosophy, policies, practices, procedure, career prospects, market standing, profitability, competitiveness, professionalism in management, effective communication, etc. On the part of employees, human factors involve personality, morale, and motivation, which in turn, depends on meeting physiological and psychological needs satisfying his own expectations in the career achievement and job satisfaction. From organizational point of view, human factors also involve competence in knowledge and skill,
interest in the job and commitment on the organizational objectives. When these three aspects viz. competence, commitment, and interest are found in an employee we call him “Empowered”. This term is of recent origin. We shall be discussing this term more in detail later in this book. Empowerment of employees is the ultimate objective of the management to develop the organization. Empowerment is the process of developing “ordinary employees to give out extraordinary performance”. People are the “real capital” of an organization. The survival and success of an organization depends primarily on the empowerment of the employees. Human resources, in these days are therefore, called “human capital“. Development of human resources involve many steps right from locating right people, training and development motivating them by satisfying various kinds of their needs, creating involvement and interest by giving them meaningful and challenging jobs and improving commitment by inculcating a sense of belongingness. Thus we find the scope of Personnel Management is very wide. This is the reason why this subject is now popularly known as Human Resources Management (HRM).

1.3 IMPORTANCE OF HRM

Management and other employees directly involved in the organization form “Human ware”. Materials, machine, money infrastructure, and organization together form “Orgoware”. Knowledge, skill, technology, etc. are covered by “Infoware”. Human ware becomes most important of all, because it has a dual role to play. As
employees, human beings directly at as one of the resources. Human being indirectly influences the effective utilization of “Orgoware”, as being responsible for their manipulation. “Infoware” again heavily depends on human being because knowledge and skill are acquired, assimilated, improved, and applied by human beings. Thus even when maintaining a separate entity, all other resources are being influenced by this single resource, the human ware. Thus we are justified in saying that human resource is most important of all other resources. This is perhaps the reason why Mary Parker Follet defined management as the “process of getting work done though other people” is the main reason for the success of Japanese management. Globalization and liberalization of economy have once again highlighted the importance of HRM. This is so, because the survival and success of organization depends on the “competitive advantage” of the organization. Competitive advantage is obtained and sustained though knowledge and skill of its people. Technological break-through and continuous up gradation of technology are possible through empowerment of employees. Improvement means greater level of interest in the job and strong commitment in the organization. Empowerment is the highest state of morale and motivation in an organization. This provides synergism. This, once again, focus our attention to the importance of human resources management. Acquiring, developing and maintaining a “critical mass” of competent and committed employees guarantee the survival and success of an
organization. Employees are, therefore, the most important of all resources.

1.4 PERCEPTION ON HUMAN RESOURCE MANAGEMENT

Perception is the process of attaining awareness or understanding of sensory information. The word "perception" comes from the Latin words perceptio, percipio, and means "receiving, collecting, action of taking possession, apprehension with the mind or senses. The perception of employees on human resource management is a concept that reflects the management’s concern with its employees’ well-being. The management that represent this concept are support at work, training, reward system, supervisory assistance and performance appraisals. Rather than using managers as the raters of human resource management, this study employs employees as the evaluators of the concept. Although this approach has not been commonly opted by most previous studies of human resource management and organizational performance, it has two advantages. First, employees are the recipients of human resource management. Thus, their information is more relevant and direct as compared to managers who have the tendencies to provide idealized descriptions of the environment. Second, the chances of getting distorted results resulting from a person’s peculiar opinion or interpretation of questions are very slim because an employee survey gathers many responses from the worksite. This anomaly will be eliminated by the large number of respondents.
1.5 SERVICE INDUSTRY

Servicing customers is different from manufacturing and distributing products. Service to customers is “intangible” and cannot be seen, while manufacturing is “tangible” and can be seen and felt by the customers. Service is “experienced” by the customers, and it touches their lives every day, and in many cases every moment, e.g., telecom, power, water, transport, banking, financial services, insurance, etc. On the contrary, manufacturing is at best a once-in-a-day experience, when the product is used. A manufacturer rarely sees a customer while service providers are in constant touch with their customers, and need to develop their service operations with the customer’s physical visit and interaction in mind.

**Origin and Growth of Service Industry**

Growth of the service industry can be attributed to the changing life style, changing world, changing industrial economics, changing population and changing technology. There is a drastic change in the industrial environment and inter-industry relationships because of the two vital components namely, service and information technology. Services are contributing to the development of a wide spectrum of business avenues and are offering broader employment opportunities. Information technology has shrunk the boundary of the world.

Services are widely used by most of the people, in all walks of life today. From education to entertainment, finance to fast food, travel to telephone, advertisement to amusement parks, market research to
maintenance services, retailing to recreation and so on, services, now-a-days are being used by the corporate as well as the household sector besides individuals. This emphasis on services and its increasing usage started in the twentieth century after the end of the World War II. Due to large scale destruction, during the war, a lot of economic activities had to be carried out to bring back the war torn economies on to the track. This resulted in a number of new projects, which fuelled the demand for financial services. In practice, service jobs encompass a huge spectrum of positions in both consumer services and business to business services, with knowledge based jobs in particular, being very well compensated.

International Scenario

The tremendous growth of service sector, due to various reasons outlined earlier, has resulted in its increased importance to the world economies. As early as in 1948, 54 per cent of the GDP of United States was generated by services, which increased to 80 per cent in the year 1999. In 1992 the services sector in the US accounted for 73 per cent of total employment, up from 55 per cent in 1950. Almost all of the absolute growth in number of jobs in US, in recent years, has been in service industries. Today, service sector dominates the economies of other developed nations as well. As countries develop, the role of agriculture in the economy declines and that of services rises. All highly developed countries have more that 50 per cent of GDP and employment derived from services.
In advanced economies such as USA., France, or West Germany, services is the largest sector in the economy. In these countries, almost three quarters of the GDP is accounted for by the tertiary sector. In third world countries such as China and India, the tertiary sector has not yet assumed the same level of importance. China, on the other hand, seems to have made strong gains in manufacturing sector.

**Indian Scenario**

The share of agriculture sector, which constituted over 50 per cent of GDP in 1960s, has now come down to around 24 per cent in 2000-2001. There has been substantial increase in the manufacturing sector but the bulk of transformation has been in the service sector. The weightage of service sector is an indication that in future, India's GDP growth will be influenced considerably by the service sector. According to a report of the IMI, the service sector in India has consistently outperformed the rest of the economy in recent years, and that too by a wide margin, since the 1980s in response to the reform programmes undertaken and after 1991 in response to the various liberalisation and stabilization measures. The report indicates that within the overall growth picture since the 1991-1992 crisis, sectorial performance has diverged markedly with industrial growth falling below long-term trends till 1993-94 after which it recovered broadly, with output having increased by 9 per cent in 1994-95. Against this, agriculture and services grew more steadily. In fact, the response
to liberalisation has probably been more in the service sector partly because of lower fixed investment requirements.

From a predominantly agricultural economy in the earlier times the country had come a long way in its development since its independence in 1947. The usual method adopted by economists to understand the relative importance of various segments of an economy in sectors is by representing their contribution to Gross Domestic Product (GDP).

(a) **Primary sector**: The contribution of this sector comes from fisheries, agriculture, forestry, mining and so on. In short, it is predominantly dependent on natural resources. Construction is also included in the primary sector.

(b) **Secondary sector**: This sector comprises manufacturers and industries. It is mainly dependent on the output of the primary sector as raw materials and produces goods for consumption. The secondary sector produces goods that can be used either by other industries or by end consumers.

(c) **Tertiary sector**: This is the service sector where the output is not goods or constructions but various services that make life comfortable. This sector comprises government (defense, social welfare), finance (investing, broking, insurance, banking, education (schools, colleges) health (hospitals, gymnasiums, spas, etc), and even entertainment (sports, television, cinema, radio) services.
The share of agriculture has declined from 55.4 per cent in 1950 or, well over half of the GDP, to about 27.5 per cent or about one quarter of GDP in the year 2000. Thus, the primary sector on which the economy was heavily dependent is no longer as predominant as before. The manufacturing or the secondary sector grew very rapidly during the first two decades after independence due to emphasis on industrial investment in the initial Five-Year Plans. This was termed by Dr. P.C. Mahalanobis, the architect of Five-Year plans, as an investment in the 'Mother of Machines'. The secondary sector reached the peak during the 1990s, when it accounted for over 30 per cent of GDP. The Indian economy, which was sheltered from external competition by tariff barriers (high import or customs duties) and non-tariff barriers (import licensing, banned importation, etc), consolidated position in manufacturing.

The most notable feature is the steady and inevitable growth of the tertiary or service sector. The rate of growth of the tertiary sector’s share picked up dramatically from the 1980s and peaked during the last decade of the twentieth century. It overtook agriculture as the highest earning sector around 1985, and it now accounts for 47.9 per cent of the GDP. The services sector today is nearly as big as the primary and secondary sector put together.
It is the fastest growing sector, with an annual growth rate of 8 per cent per annum. In the 90s one in every two Indian earned his livelihood by providing services. With best incomes and best talents, the service sector is now the showcase of the Indian economy.

Moreover, technology advances have made it possible for India to compete on a global basis in areas such as software development and information services (some of the potential areas for India include accountancy, health, education and banking services). Reduced restrictions on private sector involvement have also played an important role in the growth of this sector, as a result of which the real annual growth rates in services have generally, outperformed the overall GDP growth rates and the trend is likely to continue in future. The growing importance of the service sector in India has also been acknowledged by the stock markets. The higher growth of employment in service sector is partly because of the growth of economy and technological developments and a smaller proportion of work force needed by the manufacturing sector. With the changing pattern of Indian economy, a shift in employment pattern is bound to happen and the demand for specialized services and professionals like bankers, accountants and lawyers are bound to increase.

Liberalization, Privatization and Globalization (LPG) have brought unprecedented changes in the economic, trade, and industrial scenarios. India is fast moving from a protected economy to an open market economy and becoming integrated with the world economy.
LPG environment has exposed various organizations, including the service sector, to the challenges of competition. Service quality, cost and the competitive environment will help organizations to get modernized. Some of these are unable to cope up with the changes and may have to face the battle of survival of the fittest.

The RB1 Annual Report for the year 2006-07 notes that service sector has emerged as the fastest growing sector and has imparted much of the resilience to the overall growth of the economy, particularly in the times of adverse agricultural shocks and industrial slowdown. A major part of the share in service sector has taken place in IT segments.

**1.6 STATEMENT OF THE PROBLEM**

The paradigm shift in the economic environment witnessed since the last decade has led to more attention being paid towards knowledge and its expanding dimensions as a resource in trade and commerce of the 21st century. Knowledge is being used as a new currency in business as a cutting edge to meet competition favourably and to accomplish goals more easily and conveniently. As the business is becoming more global, knowledge is being added as a prefix to every economic aspect, viz., knowledge employees, knowledge organization, knowledge management and above all, knowledge economy. Knowledge can be manipulated to convert difficulties into opportunities, uncertainties into certainties and risks into rewards.
No other resource in business except human resource possesses this knowledge.

Human resources are the life breadth of knowledge industry. Due to ever growing demand for manpower, the human resource department in any organization faces never ending pressure to attract, retain and motivate the best in the industry. Satisfied employees are true “brand ambassadors” of the organization which shapes its image among the potential employees in the job industry. Employee development and retention plays a pivotal role in growth of an organization. Human resources are affected by sentiments, encouraged through motivation and can direct and manipulate all physical and tangible assets to help achieve the objectives of an organization.

Every organization irrespective of its nature is made up of people. Utilizing employee’s services, developing their skills, motivating them to reach higher levels of performances and ensuring that they continue to maintain their commitment towards the organization are essential in attaining organizational objectives. Organizations which are able to acquire, develop, stimulate and retain outstanding employees are effective and efficient. Human resource thus plays a vital role either in the success or failure of an organization. In today’s competitive business environment, quality and productivity are the two important factors for the survival and growth of any organization. Satisfied employees can facilitate these
two factors and thereby help the organization to compete in the market and to withstand the vagaries of market turbulence. The profitability and success has become a question mark now-a-days. Only a dedicated, qualified, efficient human resource can bring success to the organization in this age of high technology. Therefore, human being is considered a most important asset to an organization. Hence the researcher has undertaken to study the “Human Resource Management in IT sectors in Chennai”.

1.7 SCOPE OF THE STUDY

Managing the employees today is an increasingly difficult task. The involvement, sincerity, creativity and dedication to the job that the management expects do not seem to be the outcome of financial incentives as was believed earlier. Performance can be improved in two ways. Good employees can be attracted who could perform the task in a defendable manner and also use their creativity in their job performance. On the other hand, the organization should follow a good human resource management that enhances their growth and fulfills their expectations.

The changing concept of the management of the organizations requires a new look at the concept of performance as well. In the past, performance was defined in terms of a rise in the level of output of services with the same or reduced level of input as a result of better work methods and improved technology. It is, however, only through the employees that the ultimate increase in performance is achieved.
Their performance is more important than other resources. It has been empirically proved in many Indian and western organizations that good management resource management ultimately improve performance. In this context, it is proposed to undertake investigation identify the factors influencing the employees perception on human resource management in IT sector and to make a comparative study of different levels of perception with various forms of organizations in IT sectors in Chennai.

1.8 OBJECTIVES OF THE STUDY

The main objectives of the study are to find the factors influencing the employees’ perception on human resource management in IT sector and to make a comparative study of different levels of perception with various forms of organizations in IT sector in Chennai. Under these main objectives, the following specific objectives have been framed for the present study:

- To study the policies and procedures adopted by the It sectors regarding recruitment, selection, training and grievance of the employees.

- To evaluate and present the theoretical aspects relevant to the concept of human resource management.

- To identify the extent of variation in employees’ perception from certain clear categories of personal variables such as age, sex, education, income, experience, etc.
To make a comparative study of the different levels of perception with various forms of organizations in IT sector in Chennai.

To offer suggestions based on the findings of the study for the prospects of employees and for the development of IT sectors.

1.9 HYPOTHESES

To keep the frame of the analysis intact and give a proper direction to the study, the following working hypotheses have been set up:

- There is no significant difference between non corporate and corporate IT sectors in the Human resource management like sources, factors, types of tests and methods of training.

- There is no significant difference in the level of perception on human resource management among different groups based on personal variables of Sex, Age, Education, Marital Status, Type of Family, Size of Family, Community, Status of Employment, Secondary Occupation, Monthly Income, Skill Level, Experience, Membership in Trade Union, Awareness of Various Acts and Form of Organisation.

- There is no relationship between the level of perception on human resource management and the form of organization of IT sector in Chennai.
1.10 SAMPLING DESIGN

Tamilnadu constitutes the south-eastern extremity of the Indian peninsula. Chennai is the capital city of the State, besides being an important district. The district city is one of the metropolises of India and serves as the gateway to the culture of South India.

Chennai is situated on the north-east end of Tamil Nadu on the coast of Bay of Bengal. It lies between 12° 9’ and 13° 9’ of the northern latitude and 80° 12’ and 80° 19’ of the southern longitude on a `sandy shelving breaker swept beach’. It stretches nearly 25.60 kms. along the Bay coast from Thiruvanmiyur in the south to Thiruvottiyur in the north and runs inland in a rugged semi-circular fashion. It is bounded on the east by the Bay of Bengal and on the remaining three sides by Chengalpattu and Thiruvallur Districts. The district map is given in Map 1.1.

The growth of the city is significant and closely linked with the development of British Institutions and administration. In short, Chennai city was the chief centre from which the British rule expanded in the sub-continent and it remains a standing monument of British contribution to India. Chennai city has acted as an important centre of culture and education in South India and has been the cradle of many movements which have played an important role in the history of the sub-continent.
MAP 1.1

CHENNAI DISTRICT
A large number of institutions which are known in India and abroad are located in the city, of which mention may be made of the Theosophical Society, the Kalakshetra and colleges of Arts and Crafts. The establishment of professional colleges like Medical, Law and Teaching, Veterinary, Engineering, the location of the Indian Institute of Technology and the establishment of Central Leather Research Institute have added to the development of the city. Chennai is one of the leading cities in India today from the point of view of trade and commerce, with the fourth largest port in the country and the first to have developed international standard full-fledged container terminals.

The Present study proposes to cover the IT industries in Chennai. As census method is not feasible, the researcher has proposed to follow sampling. The sample IT industries are selected by following Cluster Sampling Method. The district is divided into five taluks namely Egmore-Nungambakkam, Mylapore-Triplicane, Mambalam-Guindy, Fort-Tondiarpet and Perambur-Purasawakkam. Each taluk is considered a cluster. The present study selected 45 IT industries of non corporate, private limited and public limited companies from all the Taluks as given below. This selection was made on a simple random basis at the rate of 3 of each form of organization from every taluk.
<table>
<thead>
<tr>
<th>Taluk Name</th>
<th>Service Tax Payers</th>
<th>No. of Respondents</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Non corporate</td>
<td>Private Limited</td>
</tr>
<tr>
<td>Egmore - Nungampakkam</td>
<td>63</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mylapore - Triplicane</td>
<td>68</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Mambalam - Guindy</td>
<td>61</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Fort - Tondiarpet</td>
<td>67</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Perambur- Purasawakkam</td>
<td>42</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>301</td>
<td>15</td>
<td>15</td>
</tr>
</tbody>
</table>

1.11 SELECTION OF THE SAMPLE EMPLOYEES

There were wide variations in the number of employees employed in the selected forty five IT industries in the study area. The list of employees on roll were collected from the selected sample IT industries. A selection of 12 sample employees was made from each of the 45 sample IT industries. The sample respondents were selected by means of lottery method.

1.12 CONSTRUCTION OF INTERVIEW SCHEDULE

The study involved collection of data from both primary and secondary sources. The primary data had been collected from the
sample respondents. For this purpose two separate comprehensive interview schedules were framed, first one for the employees and second for the employers. The schedule for the employees was designed to seek data on the workers' socio-economic background and to elicit opinion about their recruitment and selection, training and development, placement and promotion, retirement and death benefits, communication, supervision and motivation, infrastructure facilities, transfer, attitudes regarding the courses of disputes, mode of settlement of disputes, job-related factors and trade union activities.

The interview schedule for the employers was designed similar in nature to elicit information.

As the interview schedule included both positive and negative aspects, it facilitated an inbuilt mechanism to reduce the weightage in consistent and contradictory responses. The interview schedules were pre-tested with employees and management personnel in one of the IT sectors in each category. They were revised and reframed in the light of the experience and insights gained after the conduct of pre-testing. Formats of the interview schedules used for employees and for the employers are presented vide in Appendix-I and Appendix–II respectively.

1.13 SECONDARY DATA

The studies on human resource management aspects with special reference to IT sectors by eminent professional experts and administrators were also incorporated in the analysis of secondary
data. The secondary data were collected from the standard text books of related field, leading journals, published documents, records, reports and booklets issued, and maintained by the Government Departments at the Central and State levels.

1.14 FIELD WORK AND COLLECTION OF DATA

The fieldwork for the study was conducted during the period between September 2009 and February 2010. Personal interview by the researcher was the major tool of data collection. Interview schedule was used during the interviews. Before the interview, proper rapport has been established. The data was recorded by the researcher in the interview schedule. The schedules thus filled up were thoroughly checked to ensure accuracy, consistency and completeness. The data thus collected were categorized and posted in the master table for further processing.

1.15 DATA PROCESSING

After the collection of data, the filled in interview schedules were edited properly. A master table was prepared to sum up all the information. With the help of the master table, classification tables were prepared and they were taken directly for analysis.

1.16 TOOLS OF ANALYSIS

The general plan of analysis ranges from simple descriptive statistics to ‘F’ test. The extent and variation of perception of the employees on human resource management were measured through scale and analysis on the basis of the scores of components.
In this study, the data were analyzed by using statistical methods, like Mean, Standard-Deviation, Test for Difference of Proportions, ANOVA and Correlation. The computation was done for the total sample besides an analysis carried out separately on the basis of form of organization.

The factor-wise analysis was made. The dependent variable ‘satisfaction’ was related to independent factors influencing the same. The employees were grouped according to these factors and accordingly their mean and range of ‘perception scores’ for each factor group was calculated. In order to find the significance of the difference between the average, analysis of variance, ‘F’ test, co-efficient of correlation analysis and partial regression analysis have been applied.

When a study takes two samples from different populations to find out whether there is any significant difference between the proportions of success, it makes use of standard error of the difference between proportions by applying the following formula:

\[ \text{S.E.} \ (p_1 - p_2) = \sqrt{pq \left(\frac{1}{n_1} + \frac{1}{n_2}\right)} \]

Where, \( p \) = the pooled estimate of the actual proportion in the population.

\[ p = \frac{x_1 + x_2}{n_1 + n_2} \]

where \( x_1 \) and \( x_2 \) stand for the number of occurrences in the two samples of sizes \( n_1 \), and \( n_2 \) respectively.
1.17 LIMITATIONS OF THE STUDY

Social science research studies always suffer from errors and limitations. Some of these are inherent in the research design while some others occur during various stages of the study. The present study is subject to the following constraints and limitations.

(i) The limitations and bias that would have crept in the sampling technique might influence the findings of the study. Among the 301 registered service tax payers of IT industries, only 65 samples were selected. Sample units were chosen in taluk-wise and form of organization-wise, irrespective of the size of the industries in terms of their size, number of employees and investment made.

(ii) The main limitation of the study relates to the qualitative nature of several responses which were analyzed on the basis of scoring or ranking accorded by the participant in the study. The result is limited to the extent of reliability of the respondents rating and method in measurement and the analysis of the data.

1.18 CHAPTER SCHEME

The report of the present study is given in six chapters as follows:

The first chapter deals with the design and nature of the study. It covers introduction, statement of the problem, objectives of the study, hypotheses, methodology, sampling design, construction of
interview schedule, collection of data, construction of scale, data processing, tools of analysis and chapter scheme.

In the second chapter, the theoretical review of literature in human resource management and management.

The third chapter deals with the human resource management of selected sample IT industries in Chennai.

The fourth chapter analyses the factors influencing employee perception. It is concerned with factors influencing the level of employee perception.

The fifth chapter deals with the level of perception on human resource management in different forms of organization of IT sectors in Chennai.

The sixth chapter deals with summary, suggestions and conclusion.