CHAPTER II

REVIEW OF LITERATURE

This chapter deals with the review of concerned literature of the study. Many authors have highlighted the importance of human resource management from different angles. Some of the earlier research studies are summed up in order to have clear focus on the present study.

Narendra K. Sethi and Manju Ahula in their study have brought to light the importance of human resource planning. Human resource system is seen as the function, which has the specific task of integrating all other functions of management.

The study found that the element of effective human resource planning, the process of organizational staffing and the performance appraisal procedure are the three important parts of total human resources system. When these three processes are integrated efficiently in an organization, the outcome would be better productivity and results.

Udai Pareek has explained that the concept of human resource as distinct from personnel. Human resource management is primarily a system that gives importance to the employee and his supervisor. He stressed that all activities of human resources management should help to strengthen this two-person relationship and increase the trust

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and mutual understanding between the superior and the subordinate.\textsuperscript{7}

Pestonjee had described that productivity is a problem on which research and theoretical opinions revolve around. He had explored the relationship between industrial output and the personality dimensions of operators. He observed that productivity is a complex problem and one cannot develop a clear insight into it unless one explores the human variables in depth. He viewed that psychological variables can act as potent determinants of productivity. Human resource mechanism is more psychological in nature since human mind and attitude are involved\textsuperscript{8}.

Kulkarni in his article had observed that schemes and projects designed to serve basic human needs such as health, education, food etc., do not directly contribute to an organisation’s business objectives. The corporates have taken up serious effort towards inducting modern management techniques as on aids to the efficient running of the “HRD”. The study had encouraged the importance of introducing these techniques and methods to other industries and had discussed their various dimensions.

He felt 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 ethics among the policy makers and managers of HRDP’s in the country.⁹

Bhatia in his article had analyzed the challenges of HRM under three broad groups.

(a) **Organization level**

Human resource planning has to be integrated with the strategic plans of the organization.

(b) **Work place**

Adopting the work force to rapid changes in technology.

(c) **Human Resource Development**

The study also explained the plans, viz., approaches, change in techniques and strategies, which the companies are developing to make their organizations more effective, more participative and more acceptable. He finds that the most important mistake by the management today is the sad neglect of grievance handling.¹⁰

Taneja in his article towards better technology, utilizing human resources observed that one cannot manage machines, finance, marketing production etc., without the proper utilization of human resources. As a supplement to human resources which are precious


and rare, we should be able to adopt technology to suit our environment and conditions. He concluded that both the technology and social values are changing and in this background an organization should maintain a balance between changing technology and social values with the aim to maximize the utilization of human resources.11

Kanungo and Mendomea in their research study discussed the objectives of reward system and its evaluation. Intrinsic rewards are those that are built into or inherent in the job such as responsibility, feelings of accomplishment. Employees gain these rewards directly as they perform the job tasks. Extrinsic rewards are those that are external to the job for example, pay, benefits, praise, pleasant working conditions, job security etc. The intrinsic rewards generate in the employees a level of satisfaction, which induces a high level of performance for this reason intrinsic rewards are regarded as the real and only ‘motivations’. He had suggested that employers should provide extrinsic rewards for employee satisfaction and intrinsic reward for augmenting employee productivity.12

Khan in his study had stated that manpower resources are in fact a double edged weapon. If it is misused, it would lead to economic retardation of a country.

He viewed that an effective HRD programme should include (a) Proper HRD strategy (b) adequate manpower development procedures and ( c) a specialized motivational plan. In this age of changing technology human resource development is a pre-condition both for maintaining and further developing the national economy.13

Sreenivasan and Siva Subramanian in their study had expressed the view that a good organization which is functioning successfully cannot exist on probabilities Efficient people have to be put on appropriate tasks to make them effective. They observed that it is very difficult to select a right person to suit the needs of jobs. Individual capabilities become obsolete due to changing work environment. According to them, HRM makes ineffective men more effective through different techniques that the empirical studies have endowed to the world of management.14

Prabat in his study had explained that planning normally addresses itself to perspective changes in business objectives and the forces affecting the business. Strategic planning is therefore vital for effective management especially of large companies. As a company grows large or changes, from production to marketing, systematic manpower planning becomes a necessity. Lack of adequate talent may be the single major constraint in the ability to sustain future

growth. He concluded that it is therefore imperative to link human resource planning to strategic business planning to ensure an overall success in the business.\textsuperscript{15}

Chetty and Krishnaswamy in their article had focused the need for periodical review of human resources and their study found that areas such as participation of management, employee turnover, job data, training of employees, retraining programme etc. need periodical review for effectiveness. They stated that 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 can be greatly facilitated.\textsuperscript{16}

Jyothi in his article had explained that HRD is a broad term which indicated that all activities designed to get employees to work more effectively within a given organization. HRD comprised knowledge, skill and capacity of human resources to develop their competence. HRD or development of people lay in the organizational growth and progress. It was therefore found that training being the


most vital tool of human resources, development naturally formed the major part of the human resource development. The performance of the human resource in business, industry or any other institution will mainly depend on the system of selection and training\textsuperscript{17}.

Rao in his study had stated that the need for focusing attention on the development of human resources was increasingly being felt in Indian Industry. The study highlighted the manner in which some of the HRD subsystems were being practiced and utilized in Indian organizations. The author has noted from a study that the trends indicate that a lot of innovative activities were going on in Indian organisations both in the private and public sectors indicating a modernizing trend in the personnel function.\textsuperscript{18}

Gupta in his study had stated that the productivity of any organization can be improved by application of capital intensive high technology, scientific and modern technique and attitudinal change of employees by improving work culture. The author had said that the study in many organizations in developed and developing countries proved that technology itself may improve productivity but it cannot sustain it for a long time.\textsuperscript{19}


He recommends that it would be necessary that an integration of high technology, scientific technique and work culture is continuously followed up through detailed HRD process covering every section of employees. High technology had to be imparted to lower level of employees by training them in theory as well as practice. This required massive and continuous education programme.

Subratesh Ghose in his article had identified the problems areas and the role of participate management may be effective approach for raising the level of productivity, provided certain pre-conditions are fulfilled and the problems are sought to be encountered seriously. For that, of course the scheme should be meaningful and significance in coverage so as to make the workers interested in participation and the management also must be ready in spirit to involve the workers in the process of decision making for improving labour productivity.20

Parthasarathy in his article had analyzed the different stages of manpower planning and observed that in the present era of rapidly changing political and economical activities, forecasting of any resource is difficult and manpower is not an exception. To have an accurate and reliable forecast, an organization should have systematic personnel records and rational personnel policies. He has observed

that manpower forecasting is the most complex part of the exercise for which the use of scientific technique is a must.\(^{21}\)

Ashok Pratap Singh in his study had observed that productivity is influenced not only by physical aspects but demographic, situational, attitudinal variables which are not less important for the productive efficiency of employees. In an intensive study of the effects of alienation, anxiety and job involvement on the performance of the workers in a Kanpur textile mill he found that ‘alienation’ had a negative relationship with the productivity of workers. A high degree of ‘anxiety’ exerted a deteriorating effect on productivity and high ‘job involvement’ was a necessary condition for the employees to enhance their productivity level.\(^{22}\)

Dravid in his article had stated that HRD practitioners in India had little understanding as to how human resource management activities contributed to the effectiveness of a business organization and they were increasingly obsessed with the development of tools and technologies only. He had stressed the fact that the element of human resource planning should be mixed with strategic planning,


\(^{22}\text{Ashok Pratap Singh, “Human Resource in Industrial Productivity – A Psychological Perspective”, }\textit{Economic and business affairs- Facts for you}, \text{ Vo.10, No.9, March 1989, p12.}\)
and human resource personnel should be taught to support the strategic planning process.  

Krishna in his article had observed that with the emergence of electronics and computers, the rate of obsolescence in human skills were increasing. The profits of the working force, their demands and aspirations constantly affected professionals and helped in creating environments for this continuing education and upgradation of skills and knowledge and prevent them from becoming obsoletes. Human resource, obsolescence takes place gradually and not abruptly without warning. There is advance intimation, which can be forecast, detected and planned for any attempt at detection or prevention. A general understanding of the factors responsible for obsolescence and their effect on the company’s personnel and manpower planning policies had to be made. For this, continuing education can be useful as a means of tackling obsolescence and would be useful when they were planned well and tailor-made to meet specific needs.

Suri in his study had stated that an effective use of materials, money, machines and human resources was essential for achieving a higher level of productivity in industry. Other resources have limitations, while the human resources had unlimited potential. Its quality could be improved by intervention of training. He concluded

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that our knowledge on the impact of training on productivity, facilities and constraints was highly inadequate and a comprehensive research on this aspect had to be initiated.\textsuperscript{25}

Gani in his article had stated that the effective and efficient management of human resources played a key role in increasing productivity and establishing a strong and progressive economic base. The future year will present an interplay of various economic, social, cultural, legal and technical challenges which would require not only dedicated efforts and optimum utilization of scarce resources but also considerable change in the attitude, working system, strategy and human relations skill. To be a world leader India should think of HRM to take care of challenges which the 21\textsuperscript{st} century will bring with it. \textsuperscript{26}

Raju in his study had expressed productivity as the degree of effective utilization of each of the major factors of production viz., land, capital, labour and organization. He feels that productivity of an organization depends on the state of technology and working capital utilization. He had stressed on the fact that human resources was the most important of all resources. The motivation, morale and creative culture of employees could make all the difference between success and failure of the enterprise. Therefore, the management should

create a climate of trust and concern for the men in the organization. Where there is no trust, employees would take no worthwhile initiatives. Team work and harmonious industrial relations were essential for excellence in performance.27

Ashok Arya in his study had observed that effective management training and influence over the behavior, skill, potential and capabilities of the employees will act as effective tools for manipulating the internal business environment. While making the various physical arrangements for creative comforts, the emphasis should be on overall cost effectiveness without compromising on the comforts of the participants. He averred that within the same budget allocation training and development department could conduct more programmes.28

According to Ragnar Arvidson, ‘the basic factors required for satisfactory employer and employee relationship are (1) clean work place (2) safety provisions (3) insurance benefits (4) vacations and holidays (5) social policies (6) personnel policies (7) status (8) fair pay rates.”29

Bhatia in his article had discussed two levels of strategy. a) Competitive strategy indicating the way in which a company will

27C.S.N.Raju, Team work and Harmonious employee relations lead to better productivity, improvement in Productivity in Public enterprises, Center for public sector studies, New Delhi, 1985, p 69.
compete in its business and to outline how the company is to gain and to sustain the competitive advantage b) Corporate strategy which determines the way in which company will operate and how it will gain additional competitive advantage by coordinating the various businesses.\textsuperscript{30}

Suvendu Das in his article had pointed out important implications for HRM such as fast changing technology – especially the acceleration of change and the automation in the minds of the people, technological innovations leading to restructuring of organization, operation and culture, changing profile of employees demography, equal rights movement, phenomenon of knowledge workers, brawn to brain and under employment.\textsuperscript{31}

Santwana Chaudhuri in his article had stated that the performance of the companies could be evaluated in terms of key human resource indicators like absenteeism, impact of training motivation level, performance report or assessment sheet, rate of industrial disputes, labour turnover etc.\textsuperscript{32}

Vasanthi Srinivasan in her research had identified the following concepts: The concept of human resource management which had been receiving increasing attention in recent times. It is seen as a

value added function to the organizational products and processes. The review of literature shows that most of the indicators used to assess the effectiveness of the human resource department were outcome based indicators. In recent years, researchers are advocating the usage of the constituency approach to assessing the effectiveness of the HR department. This view holds that the HR department being a support function interacts with a network of constituencies. The constituencies are those parties that exert a hold on it. That is, they either affect or are affected by an organization’s actions, behaviours and policies’. The HR department will be considered an effective one if it is able to satisfy the demands of most of these constituencies.

The study revealed that most of the interactions between the constituencies and the HR department were at the initiative of the constituencies and were focused on maintenance related matters. The HR department did not appear to be involved in the mainstream initiatives like Total Quality Management and manufacturing redesign due to two factors, viz., role ambiguity of the HR managers and the lack of expertise in areas beyond their functional competence. The indicators used by the HR department to assess their performance and the indicators which emerged from the constituencies varied significantly. While the indicators used by the HR department were outcome based and quantitative, the indicators that emerged from the constituencies were primarily process based and qualitative. This
difference had implications for HR managers in performing their roles effectively.”33

Upadhyay in his article had specified that with the passage of time, the cultural values of India which were once considered unique in the world had slowly and gradually deteriorated.

With the advent of the industrialization in the West, the pattern of the society had to face a great challenge. The subcontinent was also subjected to the pressure emanating from the foreign rule. New ethos of industrialization brought about tremendous social change dividing the people into two blocks, viz., haves and have nots.”34

Dhar had observed that “all development starts with self-development and hence self-development is the essence of human resource development (HRD). If an individual is not basically interested in developing himself, no efforts made by the organization to develop the individual can succeed. It is for the individual himself to take the initiative aimed at self-development and the responsibility for this lies primarily with the individual concerned.

The employees as a ‘whole-man’ comes to work and carries with him both the business character of an employee and also the non-business character of a man, a son, a father, a husband, a brother etc. This whole man, therefore, is under various pulls and pressures

and that often makes him a very complex character. Therefore, it is time that the managements of industrial enterprises try to understand this genesis and start looking at this “WHOLE” man.

The author viewed that the whole conflict of human society in general and of human relationships in the particular is between “worlds” – not between persons. The world is created by men with their own closed mental attitude, ego-state, biases, enviousness, jealousy etc. men live in world created by their own perceptions.

And there exists so many ‘worlds’ as every person is strangely a ‘world’ by himself. He has created around himself a flimsy enclosure of projections, ideas, notions, conceptions, interpretations – all strange blockades. He is a projector going on and on, projecting things which are nowhere; only inside him”.

Amarchand in his article focused on discipline to precede development in the following manner:

The crux of the matter lies not in the ‘Development’ part but in the ‘Discipline’ part of the Human Resources. The individual at work, in all the places of work knows what he is supposed to do but if he/she is not willing to do, cannot be compelled to do. Basically it is a question of discipline – discipline that is enforced as well as self discipline.”

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Chandrasekar wrote that the future belongs to dynamic and vibrant organizations. Such organizations will ensure that their culture and environment encouraged work commitment and involvement of employees”

He had also focused the functional elements of HRM such as role of Managers, man power planning, selection, training and development, performance counseling, career planning, rewards and recognition, improvement management, information technology. HRM is no longer an activity carried out only by the personnel or HRD department of the organizations. It is the job of every manager within the organization.

He had finally stated that the challenges facing the HRM are both daunting and exciting. Those who can meet these challenges will survive, thrive and experience of self-satisfaction”.

Selvaraj in his research paper had observed that labour had an interest in the operating results and the financial strength of a company.

Raja Gopalan in his research paper had stated the following Ten Commandments for organisational effectiveness.

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37 S. Chandrasekar, Challenges Facing HRM, Special Report *An Economic Times*, Dt. 28-12-1996.
1. The aptitude of the employee in relation to their jobs is the most important human factor on which the super structure of the human resource development can be built.

2. If a person works on a job of his liking his achievement motivation remains quite high.

3. Training is an inseparable part of organizational effectiveness. Employees must be exposed to knowledge and training on ongoing basis to keep pace with the fast changing technology.

4. Greater exposure to a job improves the efficiency in terms of the speed and quality. However, timely job rotation is necessary before the job becomes uninteresting and routine for the concerned employees.

5. Organizational commitment of the employees has been recognized as the key factor to the effectiveness of any organization.

6. Satisfaction of psycho-socio needs through the job contributes greatly to the organizational effectiveness.

7. Organizational culture or climate has a major influence on motivation, productivity and job satisfaction of employees.

8. The leadership style and the effectiveness of the leaders greatly contribute to the organizational effectiveness.

9. The ability of the organization to use the organizational development (OD) process to rectify in time the distortions in various organizational factors and effect organizational changes
to take care of various external environmental factors including technological developments improves its effectiveness.

10. The organizational philosophy exerts most powerful impact on various factors contributing to the organizational effectiveness.”\textsuperscript{39}

Alok Kumar Pramanik in his article had stated that “HRD believes that human potential is limitless and that is the duty of the organization to help individual in identifying his or her strength and making full use thereof.”\textsuperscript{40}

These research studies and articles focused on the implications and the importance of human resource management in every organization whether it is a private sector or a public sector. Proper planning of man power and effective utilization of human resources together with other physical resources pave the way for prosperity.
