CHAPTER – I
DESIGN AND EXECUTION OF STUDY

1.1 INTRODUCTION

Human resource management may be defined as a set of policies, practices and programs designed to maximize both personal and organizational goals. It is the process of binding people and organizations together so that the objectives of each are achieved.

According to Flippo, “human resource management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished”.

According to National Institute of personnel Management of India, “human resource management is that part of management concerned with people at work and with their relationships within the organization. It seeks to bring together men and women who make up and enterprise, enabling each to make his own best contribution to its success both as an individual and as a member of a working group.”

In the words of Jucius, “human resource management may be defined as that field of management which has to do with planning, organizing and controlling the functions of procuring, developing,
maintaining and utilizing a labour force, such that the (a) objectives for which the company is established are attained economically and effectively; (b) objectives of all levels of human resources are served to the higher possible degree; (c) objectives of society are duly coincided and served.”

To sum up, human resource management seeks to accomplish societal, organizational and individual goals.

The specific aspects of human resource management are as follows:

(i) Recruiting the right personnel who is possessing necessary skills and attitudes.

(ii) Developing the clearly defined objectives and policies through common understanding and mutual consultation.

(iii) Maintaining the sound industrial and human relations so as to secure the willing cooperation of all

(iv) Providing the suitable monetary and non-monetary rewards for the contributions of employees.

Tamil Nadu State Transport Corporation (TNSTC) is a state owned transport undertaking operating its services in urban, semi-urban and rural areas of Tamil Nadu and also to the neighboring states
like Kerala, Karnataka, Andra Pradesh and Pondicherry. It has a total fleet strength of 25000 buses in 2009.

TNSTC is the second largest government bus transport corporation in India. Until 1996, the transport services in Tamil Nadu were undertaken by 21 different transport corporations to cater to the needs of the people. Each transport corporation was named after a leader or notable personality in the state. Later during 1997, the number of transport corporations was reduced and those 21 different transport corporations were clubbed to form one corporation with 6 divisions (excluding MTC & SETC) named as “TamilNadu State Transport Corporation (TNSTC)” with its divisions. There are currently 6 divisions in TNSTC: They are TNSTC Villupuram, TNSTC Kumbakonam, TNSTC Salem, TNSTC Madurai, TNSTC Coimbatore, and TNSTC Tirunelveli (with effect from 23rd Oct. 2010).

The effectiveness of human resource management practices is important for the successful functioning of any organization and it is no exception to the transport undertakings. This is a study on Human Resource Management Practices in TNSTC.
1.2 STATEMENT OF THE PROBLEM

Human beings constitute the most complex aspect of administration. In fact they are the most valuable asset – the human capital. They are the thinking machines who can provide a cutting edge to the organization. Therefore the human resources occupy a pivotal place in the organization. The human resources management practices and the way of handling the human resources in the organisation contribute substantially to the growth and development of an organisation. The significance of human resource management in public sector transport corporations assumes greater relevance due to the vast number of fleet service with large number of employees covering almost the entire population of the state. It brings about a number of issues relating to recruitment and selection of right people, their training and development, superior – subordinate relationship and employment relations. These practices lead to employee grievances. If these grievances are not handled properly, it will result in disputes between management and employees. In this globalization era continuous updation of technology further complicates these problems. Therefore effective human resource management practices are required to handle these problems.

Highly motivated and committed work force can contribute to the productivity of an organization. TNSTC is no exception. The effective functioning of the transport corporation largely depends on
the effectiveness of its human resource management practices. This study is an attempt to find out the effectiveness of human resource management practices in TNSTC. What are the existing operational policies and practices followed in TNSTC and its Kumbokonam division? What are the characteristic features of human resources management practices adopted in TNSTC? What are the different dimensions of human resource practices prevailing in TNSTC? How is the effectiveness of various core dimensions of TNSTC’s human resources management practices? To what extent the human resources management practices are effective from the employee’s perspective? These questions require fitting answers through scientific investigation and therefore this study has been undertaken.

1.3 REVIEW OF LITERATURE

Various studies carried out in the management of Human Resources were collected and examined.

Shaik Mohamed N. (1991) has given an in-depth analysis of "Professional Management and Organisational Effectiveness in Electrical Manufacturing Industries in Tiruchirappalli District". His study covered 26 industries in and around Tiruchirappalli district. Data were collected through structured questionnaires. His study points out how personnel management can be professionalised. He identified the various determinants of professional management. The
study had also measured the relationship between personal characteristics of managerial personnel and level of professionalisation in the select units: The association between organizational effectiveness and professionalisation was also highlighted by the study.

C.V. Jayaraman (1992) conducted a study on “Management Practics in Kerala State Transport Corporation”. Importance of human resource, personnel policies, recruitment, training, promotions, pay and allowances were analysed. Questionnaires were distributed among unskilled, semi-skilled, skilled, highly skilled, trade union leaders and officers for the purpose of collecting their opinions on the practices of personnel management.

Selvam (1992) highlighted the importance of passenger in road transport, assessed passengers’ attitudes towards travel problems and evaluated the service efficiency of Pallavan Transport Corporation. He also brought out the passengers’ role in the smooth running of the Corporation and put forward workable measures for further improvement in the service efficiency of Pallavan Transport Corporation.

Siva Kumar.S (1996) had conducted a study of organizational climate in Dheeran Chinnamalai Transport Corporation, Tiruchirappalli in 1996. He had examined the impact of new
economic policies on industrial relations climate and analysed the attitude of human resource towards organization climate. He had also brought out the existing working conditions and welfare facilities made available to the workers.

Made Gowda (2000) in his book studied the performance evaluation of SRTC’s in India and stated that the financial performance of a corporation is directly and/or indirectly influenced by physical performance, i.e., productivity. For measuring productivity, he used the parameters like fleet utilization, percentage of vehicles on road, vehicle utilization, staff ratio, etc. In his study he has concluded that productivity in SRTC is not satisfactory.

R. Khader Mohideen (2002) had conducted a research study on the personnel Management in TNSTC Ltd., Tiruchirappalli. He had enumerated the determinants of personnel management. Further he had studied the relationship between the personal characteristics and level of personnel management.

Mohamed Sindhahsa A.M., (2002) carried out a study on “Employment relation in Public sector and private sector Banks in select districts of Tamil Nadu”. He has identified two dependent variables consisted of relation between employees and top management and relations between superiors and subordinates at the branch level and twenty independent variables i.e. monetary benefits,
promotion, participation, recognition, grievance handling, treatment of employees and consistency, security, training, welfare reforms in banking sector, privatization, automation of banking operations, interpersonal relations, performance evaluation and rewards system, role of trade unions, responsibility, customer services, involvement and commitment, job rotation and decentralization of authority. He has concluded that out of twenty factors, four factors i.e. Grievance handling, Role of Trade Unions, provision of monetary benefits and training were dominant and might influence the improvement of employment relations to a higher level.

Sanjay Kumar Singh and Anand Venkatesh (2003) studied the regulated environment in which STUs’ operators impose many qualitative as well as quantitative constraints on their production. Therefore, the STUs have relatively few incentives to produce efficiently. In this study an attempt has been made to quantify the productive efficiency of 23 major Indian STUs which are mainly providing rural and inter-city passenger transport services. This is done by the estimation of Stochastic frontiers production function using the method of maximum likelihood. The main conclusion of the study is given the size distribution of sample STUs and their working environment. The potential gain in productive efficiency for most of them is very high-output.
Ramanathan (2004) in his book “Transport in New Millennium” uses Data Envelopment Analysis for measuring the productivity of transport Corporations. He used passenger kilometer as output, fuel consumption, number of employees and capital as inputs. He ranked the corporations according to the Data Envelopment Index at constant return to scale.

Pawan S. Buhdwar; and George Boyne (2004) have conducted a study on, “Human Resource Management in the Indian Public and Private Sectors: An Empirical comparison.” The study compares human resource arrangement (HRM) practices in Indian public-sector and private-sector organizations. The investigations is based on a questionnaire survey of 137 large manufacturing firms (public sector=81: private sector=56). The key areas of analysis include the structure of human resource (HR) department, the role of HR function in corporate change, recruitment and selection, pay and benefits, training and development, employee relations and emphasis on key HRM systems of Indian public and private sector organizations. Against the established notion, the results of this study reveal that the gap between Indian private-sector and public-sector HRM practices is not very significant. Moreover, in a few HR functional areas (for example, compensation and training and development) Indian private-sector firms have adopted a more rational approach than their public-sector counterparts.
Andre Luiz Fisher and Lindolfo Go de Albuquerque, (2005) under took a study on "Trends of HRM Model in British Companies - a Forecast according to Opinion Leaders from the Area". This is the result of research carried out to identify trends of the human resources management model in Brazilian organizations. In order to do this, a research methodology known as Delphi, which consists of gradually adjusting the perceptions of specialists was used. Respondents were selected using criteria that characterized them as opinion leaders in human resource management. Having consulted more than 160 people, it was observed that themes such as the management of competences, corporate education and encouraged for organizational learning will be gradually assimilated by companies. One of the main conclusions is that the change of process in human resources has ceased to be reactive. Data relating to change that occurred during the 1980s and 1990s showed that the function concentrated on international restructuring on reducing the number of specialist employees, on encouraging the outsourcing of operational processes and on establishing a new model for looking after in-house customers.

It investigates the implications for human resource management practices of the changing business environment in China, ownership of organizations, organizational strategies and strategic integration of the HR function. Two surveys were conducted in major Chinese cities in 1994/5 and 2001/2, with the managers of state-owned, privately owned, collectively owned and foreign invested enterprises. Regression analyses showed that organizational strategy and organizational ownership, in contrast with earlier research, were not found to be strong predictors of HRM practices. The changing business environment in China and participation by the HR function in strategic decision making were the strongest predictors of HRM practices. Overall a strategic role for the HR function and implementation of 'Western' HRM practices are becoming more prevalent in China, though the legacy of traditional practices endures and new challenges are also emerging.

Edward Webster and Geoffrey Wood (2005) carried out study on, ‘HRM Practice and Institutional Constar: The case of Mozambique, and the extent to which ‘best practice’ HRM strategies are likely to emerge, given present institutional realities’. The research was based on an extensive survey of Mozambique employees concentrated in the major urban centres of the country. The survey revealed little evidence of innovation or of leading edge practices, other than in a small minority of firms. It is concluded that the
diffusion of higher value added managerial strategies is only likely to take place in a more supportive institutional context. The failure of innovative HRM techniques to diffuse across the economy, despite heightened external pressures, highlights organizational inertia, including the continued reliance of many firms on low-paid and low skilled workers, and on autocratic paternalism. It remains uncertain whether a more "high value" added path is viable in a context of cut throat competition from abroad. The Mozambique experience underscores the importance of an institutional context which encourages firms to buy into mutually advantageous sets of rules governing fair play and limits the rewards accruing to bad practice. Whilst the more efficient enforcement of legislation may encourage the broader adoption of "high road" practices, their sustainability is, at least in part, contingent on the diffusion and reconstitution of supportive conventions; regrettable, this makes it extremely difficult to depart from the low value added path.

Eric Viardot (2005) conducted a study on, ‘HRM in Large Information based Services Companies : Towards a Common Framework’. Professional information based services are the fastest growing activities in the high technology information sector. But the management of those companies is a largely unexplored area of strategic management. This paper reports the findings of an exploratory survey of the ten largest international companies in this
field about their modes and practice of people management. The paper underlines the strategic importance of HR management for those companies whose people are their most important assets and who have recently experienced meteoric growth in the number of their employees. Findings suggest that there is a common framework of practices which can be divided in seven different components. These include a vision of the role of the employees, as well as their recruitment, training, evolution, management, communication and remuneration. The paper presents and discusses the impact of the service technology on each of those components.

Fiona Edar and Alan J Geare (2005) conducted a study on, ‘Employee Voice on HRM.’ Empirical research on human resource management (HRM) practice has mainly assessed and evaluated the activity from an employer's perspective. This concern has been expressed about the lack of empirical analysis conducted from the employees' perspective. This exploratory study begins to fill this gap in the literature by examining the current views of 626 New Zealand employees about HRM in their organizations. It identified those aspects of HRM that are important to an employee in the employment relationship today, and highlighted a number of shared concerns about practices in their organizations. This study found that, from an employee's perspective training and development is becoming an increasingly important issue. Employer investment in this area may
have the greatest potential to contribute beneficially to organizational performance. These findings suggest that not all HRM practices are equally beneficial in terms of the outcomes but they have the most usefulness. The results also provide insights for academics and practitioners to use as they seek to develop new policies and practices that are aimed at maximizing the potential of people in the workplace.

**Le Chien Thang and Truong Quang (2005)** jointly carried out a study on ‘Antecedents and Consequences of Dimensions of HRM in Vietnam’. The purpose of this study is to extend the empirical research concerning the impact of human resource management (HRM) practices on organizational effectiveness into the context of developing and transitional economy countries. From a survey of 137 cross-sector companies, it was discovered that there are five dimensions of HRM practices currently in use in Vietnam. This five various dimensions can be party traced to several organizational characteristics, but most salient is the perception of management on the value of human resources. In some dimensions, the variation constitutes a source of the difference in the perceptual company performance. These findings break new ground to propose a process for implementing HRM practices in Vietnam.

**Ordiz, Monica Arid Fernandez, Esteban (2005)** have studied ‘The influence of the Sector and the Environment of Human resource Practices Effectiveness.’ The aim of this work is to examine the effect
that human resource practice has on performance. From a database made up of 250 companies in Spain and by means of a regression analysis, it is tested empirically whether human resource practices generate positive results under many circumstances or if their effectiveness depends on certain contexts. In this respect, the study focuses on the activity sector and the environment, it is analysed whether high levels of competition in the environment and service companies constitute more attractive contexts for the adoption of high involvement practices. If the ten input control factors available under EMS management's control that could be utilized to build and develop a strong organizational culture, only two were being utilized to any significant degree to provide effective control of employees in their organization: organizational orientation programs and the use of organizational objectives.

**Ching -Chow Yang, (2006)** organized a study on, ‘The impact of HRM Practices on the Implementation of TQM - an Empirical Study on High-tech Firms’. The purpose of this research is to conduct an empirical study on high-tech firms, in order to analyze the impacts of human resources management (HRM) practices on the implementation of TQM. In this study, a research framework related to HRM practices, TQM practices, and quality performances developed. Based on the framework, a questionnaire was designed and sent to the HR managers or chief executive officers of high-tech
companies in Taiwan to investigate the effect of HRM practices on the implementation and practice of TQM. The study confirms that HRM significantly affects TQM practices. The study concluded that HRM practices have a significantly positive effect on employee and customer satisfaction. It also positively affected employees’ quality awareness and corporate image. The quality performances were also significantly affected by the implementation of TQM.

Anastasia A.Kotou (2006) has undertaken a study on ‘HRM Systems and Organization Performance a Test of a Mediating Model in the Greek Manufacturing Unit”. This investigates the relationship between systems of HRM policies and organizational performance. The research is based on a sample of 178 organizations operating in the Greek manufacturing sector. A mediation model is tested to examine the link between HRM and organizational performance. The results of this study support the hypothesis that the relationship between the HRM systems of resourcing - development and reward relations, and organizational performance, is mediated through the HRM outcomes of skills and attitudes. The paper not only supports the theory that HRM systems have a positive impact on organizational performance but also explains the mechanisms through which HRM systems improve organizational performance.

Carmen Perez Cano et al (2006) had a study titled, ‘HRM and It’s Impact on Innovation Performance in Companies’. This study is
based on the recent literature concerning the management of Human Resources (HR) and, more specifically, how this may influence innovation in a company. We start with the hypothesis that certain management practices in this area (goal recognition and regard for achievement, team work organization, the creation of a common language and the sharing of experience amongst RD workers, interalia) have a positive effect on innovation performance in the firm. The influence of industrial sector to which a firm belongs and the combined applications of these politics are also considered. These hypotheses are tested with a survey of 670 innovations developed by the Spanish firms.

Charles R. Gowen (2006) has conducted a study on ‘On the Centrality of SHRM for Healthcare Results and Competitive Advantage’. Healthcare organizations have addressed current error issues by adopting quality programs, which usually include strategic human resource management (HRM). However, little research has focused on the determinants of successful quality programs at healthcare organization. The purpose of this paper is to examine the centrality of strategic HRM for addressing healthcare errors, error reduction barriers, quality management processes and practices, quality program results, and questionnaire data from the quality and lor disk directors of 587 US hospitals by factor analysis and regression analysis. The findings focus on highly statistically
significant relationships of strategic HRM with antecedent healthcare error sources, error reduction barriers, and quality management processes and practices, as well as the strategic HRM consequences of perceived quality program results and sustainable competitive advantage. The practical implications are that hospital errors can be successfully addressed with effective strategic HRM, quality management processes, and quality management practices. The original contribution of this paper is the centrality of strategic HRM as a determinant of successful quality programs at healthcare organizations.

Dial Fields et al (2006) have elaborated on ‘HRM Strategies under Uncertainty. How do US and Hong Kong Chinese Companies differ’. This aims to compare the tendency of US and Hong Kong Chinese companies to utilize three alternative human resource management (HRM) strategies to offset uncertainties in the supply of labor. Data were collected from 158 US and 66 Hong Kong Chinese companies engaged in training and development, monitoring and assessment of employee performance, and staffing through an internal labor market. Data were also obtained concerning the uncertainty in the supply of qualified employees. After controlling differences in industries and company size, the results show that, when faced with labour uncertainty, use of the three HRM strategies were increased by Hong Kong Chinese companies, but decreased by US companies.
Fitsum Chebregiorgis et al., (2006) undertook a study on, ‘HRM Practices in Eritrea: Challenges and Prospects’. This seeks to examine the challenges and prospects of human resource management (HRM) in a developing-country context. It focuses on contextual factors and employee involvement in analyzing HRM to provide theoretical insights. To explore the above theme, on-site interviews were carried out with general managers, human resource professionals, line managers and union leaders in eight firms. Furthermore, a sample of 252 employees was included, thereby contributing the findings by generalisation. This article provides substantial and current information on HRM knowledge and practices in Eritrea. The paper argues that some contextual variables impose certain challenges to HRM practices. However, the evidence also reveals that the concept and knowledge of HRM practices, such as training, recruitment, compensation, employee participation, performance appraisal and reward systems, are in place with some indicators of focal influence.

Ghebregiorgis et al., (2006) conducted a study on, ‘Human Resource Management in Eritrea: Challenges and Prospects’. This seeks to examine the challenges and prospects of human resource management (HRM) in a developing-country context. It focuses on contextual factors and employee involvement in analyzing HRM to provide theoretical insights. To explore the above theme, on-site interviews were carried out with general managers, human resource
professionals, line managers and union leaders in eight firms. Furthermore, a sample of 252 employees were included, thereby contributing to the generalisation of the findings. This article provides substantial and current information on HRM knowledge and practices in Eritrea. The paper argues that some contextual variables impose certain challenges to HRM practices, such as training, recruitment, compensation, employee participation, performance appraisal and reward systems, are in place with some indicators of local influence. In light of the above findings, the article informs multinational companies that transferring managerial expertise to Africa may not necessarily be required, as the knowledge already exists there.

Gowen III, Charles R et al., (2006) initiated a study on ‘On the Centrality of HRM for Healthcare Quality Results and Competitive Advantage’. Healthcare organizations have addressed current error issues by adopting quality programs, which usually include strategic human resource management (HRM). However, little research has focused on the determinants of successful quality programs at healthcare organizations. The purpose of this paper is to examine the centrality of strategic HRM for addressing healthcare errors, error reduction barriers, quality management processes and practices, quality program results, and competitive advantage. The methodology of this study involves the analysis of questionnaire data from the quality and/or risk directors of 587 US hospitals by factor
analysis and regression analysis. The findings focus on highly statistically significant relationships of strategic HRM with antecedent healthcare error sources, error reduction barriers, and quality management processes and practices, as well as the strategic HRM consequences of perceived quality program results and sustainable competitive advantage.

Katou, A and Budhwar P.S. (2006) organized a study on ‘HRM Systems and Organizational Performance: a Test of Mediating Model in the Greek Manufacturing Context’. This paper investigates the relationship between systems of HRM policies and organizational performance. The research is based on a sample of 178 organizations operating in the Greek manufacturing sector. A mediation model is tested to examine the link between HRM and organizational performance. The results of this study support the hypothesis that the relationship between the HRM systems of resourcing and "development and reward" relations, and organizational performance, is mediated through the HRM systems have a positive impact on organizational performance but also explains the mechanisms through which HRM systems improve organizational performance.

Additionally, the impact of SHRM approach on the individual performance, organizational commitment and job satisfaction levels of human resources function is vertically aligned with the mission and objectives of the organization and horizontally integrated with other organizational functions. Data from a national sample of 269 human resource professionals from large US manufacturing firms were analyzed using structural equation modeling techniques. Results indicate that the direct impact of SHM on organizational performance is positive and significant, as hypothesized. Further, SHRM system can, therefore, expect improved organizational performance and improved levels of individual performance, job satisfaction and organizational commitment from the organization's human resource professionals.

Maxwell GA (2006) has examined, ‘The Perspective on Line Managers in HRM: Hilton Internationals Hotels’. This study explores line manager and human resource specialists' perspectives on line manager involvement in and rankings of HR activities; HR specialists' support of line managers; barriers to line managers' involvement in HR activities; and the competence of line managers in HR activities. Importantly, it is found that where there are divergent business performance and, conversely, convergent views are evident in the effectively human resource management to the line and developing human resource business partnerships for business performance. It is
proposed that three types of line manager buy-in are central to their active involvement in HR, namely: conceptual understanding of the rationale for their involvement; implementation effectiveness through HR role clarity and capacity; and affective commitment in believing in the value of their involvement in HR.

**Petter Davis (2006)** has conducted a study on ‘Beyond HRM in Co-operatives’. This study critically reviews developments in the literature spanning personnel management, HRM, learning organization and intellectual capital approaches to employee utilization and development. The purpose being to identify the benefits, limitations and lessons for the management of people in the co-operative and mutual sectors. Direct interviews and a sample of HRM and membership relations audit forms developed as part of an ongoing field research and special project work have been applied to various co-operative contexts in all the regions of the International Co-operative Alliance. The findings are that co-operatives generally are lagging behind the private sector in their application of all four approaches. Mostly smaller co-operatives go beyond HRM. This failure to develop clear programs for the utilization and development of their people is a missed opportunity.

**Raduan che Rose et al., (2006)** have analysed ‘The Influence of Organizational and HRM Strategies on the Performance’. Today a firm's success largely depends on the capabilities of its members.
Firms may have the capital and technology, but it is Human Resources (HR) that will help firms face the challenges of business globalization. Significantly, these days careful management of this important resource calls for a strategic focus on Human Resource Management (HRM) in the organization. This study specifically chose Japanese multinational corporations for analysis because Japanese firms have invested extensively in Malaysia. The research framework of this study is based on the work of Bae and Lawler (1999), which examined the effects of such organizational strategic variables as management values on HRM and the sources of competitive advantage. The 42 Japanese multinational corporations participated in this study. They were from the manufacturing sector and from seven different types of industry: electrical and electronic products, wood and textile products, transportation machinery parts and other manufacturing.

Shasis ta E. Khjlji (2006) undertook a study on, ‘Intended and Implemented HRM : the Missing Linchpin in SHRM Research’. This report is based on both managers and non-managers from inside and outside HR departments to highlight differences between intended and implemented HRM. The findings, arrived at with the help of 195 interviews, 508 questionnaire responses and several company documents, support our expectation: implemented HRM may be substantially different from intended HRM; consistent implementation increase employee satisfaction with HRM, which is positively related
to organizational performance. The current study thus highlights new factors that require attention in developing HR-performance analysis and also suggests that a mere imitation of HRM in the hopes of improving organizational performance creates no value. It is crucial that HR departments and managers remain committed and supportive to the development of effective HRM systems by focusing upon actual 'implementation' within their organizations.

**Sandra King and Kauanui et al., (2006)** took a study on ‘Impact of HRM: SME Performance in Vietnam’. In its transition from a centrally planned economy to a market economy, Vietnam has achieved remarkable success. During this transition, Vietnam businesses have implemented a number of HRM practices used primarily by companies in western cultures. This study specifically investigates the impact of three HRM practices: training, performance appraisal systems and incentive pay, on firm performance to determine if results mirror those obtained in the more highly developed economies of the West. A sample of 200 Hanoi manufacturing SMEs was surveyed regarding their training, performance appraisal and incentive compensation have positive effects on Vietnamese SME performance, with incentive compensation having the greatest impact.

data from a sample of 145 UK call centres, the authors test the core propositions of the strategic human resource management (SHRM) approach that: (a) there are coherent links through the SHRM chain from strategy, through operational requirements, to work design and human resource management, and (b) the fit between the human resource practices and market factors determines organizational performance. Little support for these hypotheses is found as only (a) a few direct relationships, rather than those moderated by market factors, are found between human resource practices and performance. But the key operational requirements are linked to work design, which is itself related to a limited number of human resource practices. The direct effects of work design on key performance indicators are more pronounced than those of human resource practices.

Swamy D. Renuka (2006) has documented a study on ‘A Comparative Study on HRM Practices and Advanced Technology Adoption of SMES with and without Certificate’. This paper reports on an exploratory study recently conducted on small manufacturing firms with and without International Organization for Standardization (ISO) certification in India. Through this study, the authors bring out certain significant differences in the adoption of Human Resource Management (HRM) practices and advanced technology of small manufacturing firms with and without ISO 9000 Certification. The findings show that there is a significant difference between firms with
and without ISO 9000 certification with respect to the HRM practices and advances technology adoption. It shows that small manufacturing firms have embraced advanced technologies overwhelmingly compared to non-ISO certified firms.

**Yao-Sheng Liao (2006)** conducted a study on ‘Tasu Characteristics as a Moderator of the Relationship between HRM Control and Product Innovation’. This study examined the effect of task characteristics on the relationship between human resource management (HRM) control and product innovation. The results from a survey of 209 firms support a contingency approach to innovation. When task analyzability is high, output or behavior control enhances innovation; in contrast, input control results in the opposite. These findings suggest that when number of exceptions is high, input control is the appropriate HRM approach to facilitate innovation.

**Yao-Sheng Liao (2006)** has conducted a study on ‘HRM Control System and Firm Performance A Contingency Model of Corporate Control’. This study explores how corporate controls used by the parent company of a conglomerate affect subsidiaries' human resource management (HRM) control performance relationship. Empirical results from 93 firms reveal that the appropriate use of HRM control systems was a contributing factor to firm performance. When a subsidiary's approach to HRM was based on behavior control, performance was lower when the parent company emphasized
financial control. When a subsidiary's approach to HRM was based on output control, performance was higher when the parent company emphasized strategic control.

The impact of strategic human resource management (SHRM) on organizational performance is assessed. Additionally, the impact of a SHRM approach on the individual performance, organizational commitment and job satisfaction levels of human resource professionals is investigated. An organization exhibits SHRM when the human resources function is vertically aligned with the mission and objectives of the organization and horizontally integrated with other organizational functions. Data from a national sample of 269 human resource professionals from large US manufacturing firms were analyzed using structural equation modeling techniques. Results indicate that the direct impact of SHRM on organisational performance is positive and significant, as hypothesized. Further, SHRM was found to directly and positively influence individual performance, organisational commitment and job satisfaction. Top managers implementing a SHRM system can, therefore, expect improved organisational performance and improved levels of individual performance, job satisfaction and organisational commitment from the organisation's human resource professionals. The present research work differs from above studies in different dimensions. The major objective of this study is to examine
effectiveness of HRM practices in individual areas and overall context of the corporation. The major variables included in this study are recruitment and selection, training and development, compensation package, social security and welfare and maintenance of HR. The differences among these variables are cross-examined both sector-wise and cadre-wise. Apart from using Regression Analysis, Canonical Correlation Analysis was used to identify the simultaneous impact of few variables on different aspects of HRM.

**W.Cathrine Anitha (2007)** had conducted a research study on Human Resource Management in Neyveli Lignite Corporation Limited. She had examined the effectiveness of HRM practices in individual areas and overall context of the corporation. She had concluded that the challenge before human resource management department was to actively coordinate, synergize and monitor the various areas of employees and achieve objectives of the corporation which the human resource development should utilize.

**Kanshik Deb TERI university, New Delhi, India and Massimo Filippini, ETH, Zurich, Switzerland (2010)** jointly carried out a study on ‘Public Bus Transport Demand Elasticities in India’. The purpose of this study is to find out the factors affecting the public transit demand. They concluded that access to a public transport network, service quality, travel time, safety, security and comfort are mostly affecting the transit demand.
The above review show that most of the studies on human resource management have been carried out in public and private sector undertakings and that a few studies made on transport organizations. The present study was an attempt made to identify the dominant factors of human resource management practices and the extent of their influence on the human resource management practices in TNSTC Ltd. The relationship between the 10 core dimensions and 41 variables of human resource management practices in TNSTC Ltd., has been analysed in this study.

1.4 OBJECTIVES OF THE STUDY

The research work carries following objectives:

1. To study the profile of Tamilnadu State Transport Corporation and the Study Area.

2. To know the characteristic features of human resources management practice in TNSTC Ltd.

3. To identify the different dimensions of HRM practices prevailing in TNSTC Ltd.

4. To assess the effectiveness of various core dimensions of HRM practices prevailing in TNSTC Ltd.

5. To analyse the impact of personal and demographic variables on the effectiveness of HRM practices.

6. To measure the overall effectiveness of HRM practices among the different categories of employees of TNSTC Ltd.
1.5. SCOPE OF THE STUDY

The operational areas of human resources management such as recruitment, selection, training, wage and salary administration, motivation, functioning of trade unions, welfare and safety of staff, development and promotion and performance appraisal of workers were covered in the study. The other areas to be probed into were the grievance redressal, disciplinary procedure and workers’ participation in management. The impact of these practices on the growth of the unit was also planned to be studied in the research work. The study covers Kumbokonam division only and a period of 5 years (from 2005 - 2010) for evaluating the effectiveness of the human resource management practices in TNSTC.

1.6. HYPOTHESES

The following hypotheses were framed and tested in this study.

1. The effectiveness of human resource management practices differs among the various dimensions of human resource management practices in TNSTC Ltd.

2. The various core dimensions of human resource practices have an impact on overall employee satisfaction.
3. The effectiveness of human resources management practices differs among the various category of employees in TNSTC Ltd.

4. There exists significant relationship among the variables of core dimensions of the human resource management practices.

1.7 LIMITATIONS

This study is not devoid of limitations. The study heavily relies on primary data collected from TNSTC Kumbakonam division II only. Secondary data pertaining to the effectiveness of HRM practices have been collected and analysed in this study only at the division level.

This study includes only four categories of employees i.e. drivers, conductors, technical staff and office staff only and other employees have been excluded from this study.

This study is conducted from the employees’ point of view and the customers’ views are not considered.

The period of study is 5 years only i.e. from 2006 to 2010.

This study was confined to the employees belonging to the Kumbakonam Division II i.e. Trichy, Karur and Perambalur Districts only. As a result, generalization of the findings and conclusion of the study at the State level may or may not hold good but they may hold
good at the Divisional level. However the findings and conclusion derived in this study were consistent with the findings and conclusion drawn from similar studies conducted elsewhere in the State and Country, which have been incorporated in the review of previous studies in this chapter.

1.8 OPERATIONAL DEFINITIONS OF CONCEPTS USED

1. Human Resource refers to the total knowledge, skills, creative abilities, talents and aptitude of an organisation’s work force as well as the value attitudes and beliefs of the individuals involved.

2. Human Resource Management means employing people, developing their resources, utilizing, maintaining and compensating their services in tune with the job and organizational requirements with a view to contribute to the goals of the organization, individual and the society.

3. TNSTC Ltd. refers to the Tamil Nadu State Transport Corporation Ltd. Kumbakonam Division.

4. The term categories of employment means the workers belonging to drivers, conductors, technical staff and office staff categories of jobs.

5. Human Resource Management dimensions denote the various factors determining the nature of Human Resource

1.9 AREA OF THE STUDY

Tiruchirappalli District

Tiruchirappalli District is located in Tamil Nadu and surrounded by Namakkal, Salem, Karur, Ariyalur, Pudukottai, Thanjavur and Dindigul Districts. It is the central district of the state. It has been popularly known as “Rock Fort City”. Tiruchirappalli is geographically located between 10° - 11.30° North Latitude and between 77.45° – 78.50° East Longitude and lies on the southern bank of river Cauvery.

The Tiruchirappalli is spread over an area of 4403.89 sq kms. As per the census of 2001 the population of Tiruchirappalli district was 24,18,366 composed of 12,08,534 males and 12,09,832 females. Paddy, Jowar, Pulses, Chilies, Coriander, Lemon, Tamarind, Tapioca, Onion, Cotton, Groundnut, Sunflower, Castor, Banana, Mango, Coconut and Korai are cultivated in the district. The district has 145 large scale industries, 802 small scale industries and 1865 cottage
industries Tiruchirappalli district was formed in 1995 by trifurcating the composite Tiruchirappalli district as Tiruchirappalli, Karur and Perambalur districts. The artificial diamonds, Jems, Cigar, Jaggery, Beedi, Handlooms etc, are popular industries in this district. Karur district had got a population of 9,03,000 comprising 4,51,861 males and 4,51,139 females. The population of Perambalur district was 4,93,646 out of which 2,46,141 were males and 2,47,505 were females. The TNSTC has been operating buses covering the entire area of these three districts by rendering valuable passenger transport service.

It is a meeting place of major links of communication, say, roads and rails. Due to this locational advantage it enjoys strategic position in trading commercial, industrial activities of this part of the country.

1.10 METHODOLOGY
Selection of TNSTC Divisions and Study Area

TNSTC is the second largest government bus transport corporation in India. TNSTC is well known for its route coverage almost to every remote area within Tamil Nadu. TNSTC bus fares are still the lowest in the country amidst frequent fuel price hikes. Hence the efficiency of HRM practices followed by TNSTC was identified and evaluated with special reference to Kumbakonam Division in this study.
Sampling framework

Sampling method

It is a sample survey to measure the effectiveness of HRM practices in TNSTC on the basis of job category. As per the reports of TNSTC head office, Tiruchirappalli District, the population size of the workers are as follows:

<table>
<thead>
<tr>
<th>Job Category</th>
<th>No. of Workers</th>
<th>Percentage</th>
<th>Proportion (w)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drivers</td>
<td>2122</td>
<td>37.33</td>
<td>0.3733</td>
</tr>
<tr>
<td>Conductor</td>
<td>2195</td>
<td>38.92</td>
<td>0.3892</td>
</tr>
<tr>
<td>Technical Staff</td>
<td>1074</td>
<td>18.91</td>
<td>0.1891</td>
</tr>
<tr>
<td>Office Staff</td>
<td>285</td>
<td>5.02</td>
<td>0.0502</td>
</tr>
<tr>
<td>Total</td>
<td>5686</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Based on the above table stratified random sampling method was adopted to select the sample respondents from the different category of job namely Drivers, Conductor, Technical Staff and Office Staff.

Determination of sample size

The sample size for the study was scientifically determined with the help of the following formula.

\[ n = \left( \frac{Z}{e} \right)^2 \sum_{i=1}^{3} W_i S_i^2 \]

where ‘n’ is the required sample size
‘Z’ is the value (1.96) of standard normal variant at 95% confidence level.

‘e’ is the allowable sampling error at 5% level.

‘W’ is the category of Job proportion for driver, conductor, technical staff and office staff.

‘S’ is the sample standard deviation of effectiveness of HRM practices in TNSTC.

Substituting the values of Z, e, W, S in (1), it gets the required sample size as 360 and it is the lower limit which is used to evaluate the effectiveness of HRM practices in TNSTC. The following table shows the stratum or locationwise sample size.

<table>
<thead>
<tr>
<th>Job Category</th>
<th>Total sample size (1)</th>
<th>Proportion (2)</th>
<th>Areawise sample size (1) x (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drivers</td>
<td>360</td>
<td>0.3733</td>
<td>134</td>
</tr>
<tr>
<td>Conductor</td>
<td>360</td>
<td>0.3892</td>
<td>140</td>
</tr>
<tr>
<td>Technical Staff</td>
<td>360</td>
<td>0.1890</td>
<td>68</td>
</tr>
<tr>
<td>Office Staff</td>
<td>360</td>
<td>0.0502</td>
<td>18</td>
</tr>
</tbody>
</table>

1.11. SAMPLING FRAMEWORK

Sampling method

It is a sample survey to measure the effectiveness of HRM practices prevailing in TNSTC. As per the reports of TNSTC, there are currently 6 divisions in TNSTC, namely Villupuram,
Kumbakonam, Tirunelveli, Coimbatore, Madurai and Salem. Tamil Nadu State Transport Corporation, Kumbakonam is further divided into four divisions (KUM DIV – I, KUM DIV – II, KUM DIV – III and KUM DIV – IV). The stratified random sampling method was adopted to select the sample respondents based on the category of employees (Driver, Conductor, Technical Staff and Office Staff). The sample size for the study was scientifically determined.

**Pilot study**

A drafted questionnaire was prepared in a regional language as well as in official language, for the purpose of pre-testing. This randomly selected 50 respondents from four different category of employees of TNSTC Kumbokonam Division were Driver and Conductor, Technical Staff and Office Staff. The questionnaire comprised of 41 questions relating to 41 variables used to measure the effectiveness of HRM practices of TNSTC, Kumbokonam Division. It was measured using ten (10) dimensions adopted and modified from Arthur et al. (1995) (Delery and Huselid, 1996; Arthur et al., 1995; Cassell et al., 2002; Anakwe, 2002; Webster and Wood, 2005). The variables sought information on specific HRM practices. From these variables 10 dimensions are identified, namely (1) recruitment and selection, (2) performance appraisal, (3) promotion and transfer, (4) training and development, (5) wages and incentives, (6) workers’ participation in management, (7) grievance handling,
management attitude towards employee and trade union, 
information supported on health care, child care and quality of work issues and (10) motivation.

After the data collection was over, the reliability of these variables was checked and the results of the cronbach’s alpha showed that the 41 variables of HRM practices achieved a reliability coefficient of 0.942. This confirms that the indicators of effectiveness of HRM practices variables attained high internal consistency of 94.2%. (it is greater than to a recommended level of 0.7)

Finally the validity of the HRM practice variables was also checked. At first the 40 HRM practice items were classified into first 21 and second 20 variables randomly. The split half validity was conducted by using the common factor analysis procedure. This shows the first 21 variables in HRM practices contained more information than the second 20 variables regarding the effectiveness of HRM practices in TNSTC, Kumbokonam Division II.

Moreover, to purify the instrument the judgemental validity procedure was adopted. After an in-depth discussion with experts and Human Resources Management Executives of TNSTC, the 40 variables of HRM practices were classified into 10 different dimensions such as Recruitment and Selection (3), Performance appraisal (3), Promotion and Transfer (4), Training and Development
(3), Wages and Incentives (3), Workers’ Participation in Management (4), Grievances Handling (5), Management attitude towards Employee and Trade Union (5), Welfare Measures (3), Motivational Factors (7)

1.12. COLLECTION OF DATA

Both primary and secondary data have been collected for the research work.

Primary data

A structured questionnaire was prepared to measure the effectiveness of HRM practices followed by TNSTC on its employees. The questionnaire was classified into 11 different parts. The first part elucidates 9 personal and demographic variables of respondents. The remaining ten parts comprised conceptual items namely, Recruitment and Selection, Performance Appraisal, Promotion and Transfer, Training and Development, Wages and Incentives, Workers’ participation in Management, Grievances Handling, Management Attitude toward Employee and Trade Union, Welfare Measures, and Motivational factors.

Secondary data

The secondary data were collected from various sources such as journals, books, reports, and articles. Field visit also took place in Kumbakonam Division of TNSTC for the purpose of discussion and conducted in-depth interviews with TNSTC officials.
Analysis of data

After the data collection was over, the collected data were analysed with the help of statistical packages such as SPSS 17, (Statistical Package for Social Science). It is implicitly assumed that, the variables used to measure the effectiveness of HRM practices were followed a multivariate normal distribution. The computerized analysis was done at four different stages. In stage one, simple frequency tables were applied which showed the position of the various variables. In stage two, step-wise multiple regression analysis was applied to find the impact of all ten dimensions of HRM practices on the employee satisfaction. In stage three, ANOVA was carried out for seeing the differences, at all the levels dimension of the study said above. Moreover correlation analysis was used for establishing the relationship between different variables at all the levels as mentioned above. In the fourth stage, the discriminate analysis was applied to find the dominant HRM practice variables, which discriminated the effectiveness of HRM practice among the ten dimensions.

1.13. CHAPTERISATION

Chapter I: It clearly visualizes the design and execution of the study. It includes the statement of problem, objectives of the study, hypotheses framed, review of literature, methodology and scope of the study.
Chapter II: This chapter deals with the profile of the Tamil Nadu State Transport Corporation and its study area of Kumbokonam Division.

Chapter III: This chapter clearly describes the characteristic features of HRM Practices prevailing in TNSTC Ltd.

Chapter IV: This chapter deals with the analysis of primary data. The impact of various core variables, personal and demographic variables and its impact on overall employee satisfaction are analysed. Moreover the overall effectiveness of HRM Practices in TNSTC Ltd. is also measured.

Chapter V: Based on the previous chapters and the analysis of data, the findings, conclusion and suggestions are uniformly organized and given in this chapter.