CHAPTER I

INTRODUCTION AND RESEARCH DESIGN

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1.1: Introduction:

The origin of the Human Resource Management function can be traced in England where masons, carpenters, leather workers, and other crafts-people organized themselves into guilds. The groups worked towards the common objective of attaining “improved work conditions”.

Human resource management existed in some form with the evolution of human organisation. However, its systematic study started with the development of the field of management in the beginning of 20th century. This has evolved out of different terms such as Personnel Management, Personnel administration, Staff management, Manpower management, Labour Relations, Industrial relations and lately some experts have coined new term knowledge management. In each label, the scope and emphasis of functions relevant to managing human resources have changed to some degree.

Beginning with the last decade of 20th century, globalization, liberalization and technological advances have changed the way the business is being done across the world, and India is not an exception to that. These three factors are still continuing to haunt business organizations to align their strategies to the needs of fast changing environment. Since HRM is the prime mover of human resources through which organizations have to encounter threats posed by the environment, it is facing lot of challenges in managing people effectively.

Human Resource Management is the term that is replacing personnel management and implying that personnel managers should not merely handle recruitment, pay and discharging, but should maximize the use of an organization’s human resources. Human Resource Management is the strategic and coherent approach to the management of an organization’s most valued asset—the people working there, who individually and collectively contribute to the achievement of the objectives of the business. The terms “human resources management” and “human resources” have largely replaced the term “personnel management” as a description of the processes involved in managing people in organizations. In simple sense, Human Resource Management means employing people, developing their resources, utilizing, maintaining and compensating their services in tune with the job and organizational requirement. Human Resource Management is seen by practitioners in the field as a more innovative view of workplace management than the traditional approach. Its techniques force the managers of an enterprise to express their goals with specificity so that it can be understood and undertaken by the workforce and to provide the resources needed for
them to successfully accomplish their assignments. As such, Human Resource Management techniques, when properly practiced, are expressive of the goals and operating practices of the enterprise overall.

Few areas covered by the human resources management are workforce planning, recruitment, induction, orientation and on boarding skills, management and development, personnel administration, compensation in wage or salary, time management, payroll, employee benefits administration, personnel cost planning, performance appraisal, labour relations, safety and welfare measures, improving the quality of work and efficiency, Human Resource accounting and Human Resource Information system\(^1\).

HR branding, a new concept, refers to the package of functional, economical and psychological benefits provided by the employment and identified with the employing company. The combination of these factors differentiates one employer from another and helps in shaping the perceptions of the past, present and future employees. Customers differentiate firms by their products and similarly employees differentiate their jobs by HR branding. HR branding has also been called employer branding. Human resources Management can have 4Ps namely – People, Package/pay, Performance and Prospects. Hence if this can be applied to an organization, tangible issues of the organization could be the package and performance of the company and the intangible issues could be the people and prospects.

The following are the high performance Human Resource Management practices which can help in building a consistent Human Resource brand:

- Highly selective hiring and focus on attitudes and cultural fit.
- Extensive training and skill development
- Self-managed teams and decentralization of decision-making
- Equal importance of both technical as well as conceptual skills
- Reduction of status distinctions and wage inequality.
- Employment security
- Comparatively a better compensation package
- Organizational performance and employee ownership

\(^1\) en.wikipedia.org/wiki/human-resource-management
Transparency in both financial and general performance of the organization

Attracting knowledgeable workers has become a herculean task for the HR department. Only the best practices and the best environment can assure their interest in working for an organization. The practices and policies of the HR department and its outlook create a certain brand for the Human Resources Management of each and every organization. The better the brand, the better are the chances that an organization can attract the best talent.

The Indian automobile industry in 21st century is currently experiencing an unprecedented boom in demand for all types of vehicles. This boom has been triggered primarily by two factors:

(1) increase in disposable incomes and standards of living of middle class Indian families estimated to be as many as four million in number; and (2) the Indian government's liberalization measures such as relaxation of the foreign exchange and equity regulations, reduction of tariffs on imports, and banking liberalization that has fuelled financing-driven purchases. Industry observers predict that passenger vehicle sales will triple in five years to about one million, and as the market grows and customer's purchasing abilities rise, there will be greater demand for higher-end models which currently constitute only a tiny fraction of the market. These trends have encouraged many multinational automakers from Japan, U.S.A., and Europe to enter the Indian market mainly through joint ventures with Indian firms. This research presents an introduction to the key players in the Indian automotive industry, a summary of the recent developments, and an analysis of the opportunities and challenges facing the various players (Indian and multi-national assemblers and component makers) in the areas of product development, production, and distribution.

1.1.1: Origin of TVS Group of Companies: T.V. Sundram Iyengar, was born in Thirukkurungudi, Tirunelveli District in the present day Tamil Nadu (then part of Madras Presidency) in 1877. Sundram Iyengar started his initial career as a lawyer, as per his father’s wish, then moved to work for the Indian Railways and later in a bank.

T.V. Sundram Iyengar, quit his jobs and laid the foundation for the motor transport industry in South India when he first started a bus service in the city of Madurai in the year

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The first route was from Madurai to Pudukottai. He established the T.V. Sundram Iyengar and Sons Limited in 1923, which operated a number of buses and lorries under the title of Southern Roadways Limited. This paved the way for the genesis of the TVS Group. During the times of the Second World War, Madras presidency was met with petrol scarcity. To meet the demands, Sundram Iyengar designed and produced the TVS Gas plant. He also started a factory for rubber retreading, besides two more concerns, the Madras Auto Service Ltd. and the Sundram Motors Ltd., the former was the largest distributors of General Motors in the 1950s.

What started as a single man’s passion soon became the business of a family. Sundram Iyengar had five sons and three daughters and in his patriarchal Tamil Brahmin family all male members got into the business. With his eldest Son, Duraisamy’s early death, four other sons, T.S. Rajam, T.S. Santhanam, T.S. Srinivasan and T.S. Krishna became an integral part of the business and ever since there have been four largely district branches that, however, have worked under the TVS umbrella. The group established by Sundram Iyengar, is a company which has at present(2014) grown up to the level of having more than 150 outlets and sells over 40,000 vehicles and services more than 5,00,000 vehicles per annum being the leading automobile distribution company in India. TVS group of companies have at present around 5000 employees which depict the strong support extended by the employees towards the concern. The group operates in diverse fields like automotive component manufacturing, automotive dealings and electronics, as well as into finances.

T.V. Sundram Iyengar proved himself as a forward thinker when he got his daughter T.S Soundaram then a teenage widow, remarried, under auspices of Mahatma Gandhi. T.S. Soundaram then involved herself in the Indian independence movement along with Gandhi. She was later honoured with a postal stamp released in her honour. Apart from being a successful business man, Sundram Iyengar was a patron of the arts. He was praised by Rajaji, a Senior Statesman in the Congress party of India at that time, for his gesture of retiring and handing over the trade to his sons. He died in the early hours of April 28, 1955 at his residence in Kodaikannal at that time was survived by his wife, four sons and three daughters. T.V. Sundram Iyengar was honoured by the Union Government of India by unveiling busts in Bronze and in marble in the city of Madurai, Tamil Nadu on August 7, 1956. It is strongly believed that the underlying success of the group is an ethos of

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commitment to the values of Quality, Service and Reliability. Continuous innovation and close customer interaction have enabled the group to consolidate its position at the leading edge of the automotive industry\(^6\).

T.V. Sundram Iyengar was an industrialist the founder of T.V. Sundram Iyengar and Sons group of companies, one of India’s largest industrial conglomerates, The TVS group, he thus started, now extends from motor industry, auto services to financial services\(^7\).

The TVS trading stems from the personal philosophy of the group’s founder Sri TV Sundram Iyengar. A man of tremendous vision, he had the foresight to recognize that progress in the transport industry was vital to the growth of the foundation of customer satisfaction. Indeed, it is this dedication to service that has given TVS the impetus to grow from the single unit of 1911 to the multi corporate enterprise, as it is today.

He had the support of his better-half Mrs. Lakshmiammal who was known for her simplicity and kind heart. It was 31 years of long dedicated and dynamic hard work that made the man a legend and the name still lives in many hearts\(^8\).

1.2: Statement of the problem:

Change has become ephemeral everywhere be it economy, politics, business, environment and so on. For instance, the economy has changed from closed to open to web economy, business has expanded from regional to national to global, and business organizations have altered from brick and mortar to knowledge to virtual organizations. All these changes either directly or indirectly affect the environment of human resource management. These changes require HRM to play an ever more crucial role in organisations. Therefore, the knowledge of changing environment becomes a prerequisite to formulate an appropriate business and Human Resource strategy.

In this context, the researcher has developed an interest for analyzing the HRM practices prevailing in one of the leading automobile Industry in Madurai , that is, T.V. Sundram Iyengar and Sons limited. The company was established in 1911 and is the parent company of the TVS Group. T.V.Sundram Iyengar and Sons Limited, operates through three

\(^6\)http://www.tvsmotor.in/group.asp  
\(^7\)http://www.tvsiyengar.com/  
divisions—TVS & Sons, Sundaram Motors and Madras Auto service. It is the company which has at present (2014) grown up to the level of having more than 150 outlets and sells over 40,000 vehicles and services more than 5,00,000 vehicles per annum. The company has at present around 5000 employees. The achievements and the milestones touched by the company would have been quiet possible only by the strenuous efforts of both the employers and employees of the concern.

Having in mind the need for perfect Human Resource Management practices and the significance of automobile industry, the researcher tried to a maximum extent to bring out the correlation between the management’s Human Resource practices and their opportunity to capture a permanent market share in the highly competitive world of challenges. Moreover a study of Human Resource Management practices makes it all the more important in this age of corporate governance. The study of T.V. Sundram Iyengar and Sons Limited, Madurai was taken up with an objective to focus on the importance of public limited companies in India. Many scholars and critics were sceptical about the future of public limited companies in India after the introduction of New Economic Policy by the Government of India. About two decades have passed since then and the strong emergence of private sector has created a competitive environment. The global slow down or 'economic recession' during last few years had seen the biggest multinational companies going almost bankrupt. The T.V. Sundram Iyengar and Sons Limited, Madurai has survived from recession and still maintains that record of making profits. This Company has adopted Human Resource Management practices with ethics and high morale. So it was felt that an effort to study these practices is very important. The services rendered by the employees are much appreciated by the public because of the strong values adopted by them. The punctuality, quality of service and public relations of employees are considered by the people of Madurai as the best practice and public friendly.

The findings of this research will open the doors for future research which shall be of great help to the nation. The void left after this study will prompt the future researchers to touch this important area.

More than a century since, 1911, the company is able to maintain a constant and increasing market share in the economy with the long standing relationships with the employees and the customers. It is obvious to believe that the tremendous growth of the institution is due to the human resource practices, perfect total quality management, proactive
customer service and honest and reliable business ethics. These values triggered the researcher to analyse and learn about the human resource management practices prevailing in TV Sundram Iyengar and sons Limited.

1.3: Concepts and definitions:

1. Nomenclature
2. Workforce planning
3. Recruitment
4. Induction / Orientation
5. On boarding
6. Performance appraisal
7. Human Resource Accounting
8. Human Resource Information System
9. HR Branding
10. Supply chain management
11. Technical Production Services Association (TPSA)
12. Downsizing
13. Strategic partner
14. Administrative Expert
15. Employee champion
16. Change agent
17. Transnational
18. Proactive

1. Nomenclature: Nomenclature is a term that applies to either a list of names and/or terms, or to the system of principles, procedures and terms related to naming—which is assigning of a word or phrase to a particular object or property. A system of names used in a particular subject.

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2. **Strategic Workforce planning:** is the business process for ensuring that an organization has suitable access to talent, to ensure future business success. By talent is meant the skills, knowledge, predisposition and ability to undertake required activities including decision making. Hiring is a strategy for accessing talent and will often be the superior one\(^{10}\).

3. **Recruitment:** Recruitment is the process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected\(^{11}\).

4. **Induction:** Induction (orientation) is a technique by which a new employee is rehabilitated into the changed surroundings and introduced to the practices, policies, and purposes of the organization\(^{12}\).

5. **On boarding** is a core personnel and management skill. One description refers to a four step process of “acquiring, accommodating, assimilating and accelerating” newly hired. Another refers to a four step “a.i.d.e” process of acclimation, integration, dialogue and expectation management”. Effective on boarding of new employees can be one of the most important contributions any hiring manager, direct supervisor or human resources professional can make to long-term organizational success, because on boarding done right can improve productivity and employee retention and build shared corporate culture\(^{13}\).

6. **Performance appraisal:** One way to assess performance is through a formal review on a periodic basis, generally annually, known as a performance appraisal or performance evaluation. Other evaluators of the employee’s performance can include subordinates, peers, group and self, or a combination of one or more. Some of the popular appraisal methods include (i) ranking of all employees in a group (ii) using rating scales to define above average, average and below-average performance (iii) recording favourable and unfavourable performance, known as critical incidents, and (iv) managing by objectives or MBO\(^{14}\).

7. **Human Resource Accounting:** Human resources generate future benefits in the form of income to the entity, and hence becomes an asset of the entity. Considering Human resource as an asset just like any other capital asset, the experts have come up with human resource

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\(^{10}\) [http://en.wikipedia.org/wiki/workplace-planning]


\(^{13}\) [http://en.wikipedia.org/wiki/onboarding]

accounting to value which is defined by American Accounting Association as “it is the process of identifying and measuring data about human resources and communicating this information to the interested parties by recording and disclosing it in the financial statements. It also helps to monitor the human resource capital thereby removing the defects of conventional accounting, which considers the amount spent on training, acquisition and development of human resource as revenue expenditure. With inclusion of human resource in the financial statement the investors can value the goodwill of the entity more precisely. This Human Resource Accounting is slowly and gradually moving from conceptual to applications stage, which once applied will show true and fair view of financial statements relevant to all sectors particularly like service sector. Moreover it will lead to impartial decision with respect to training and internal transfers. It also enables the employees to know his true value and cost incurred due to strikes and lockouts can be checked.\textsuperscript{15}

8. **Human Resource Information System:** The concept of human resource information system (HRIS) has been derived from the concept of management information systems (MIS). Human resource information system is a systematic procedure for collecting, storing, maintaining, and retrieving data needed by an organisation about its human resources and various activities that are relevant for their management. Thus, like any other information system, HRIS has three basic components – input, storage and output.\textsuperscript{16}

9. **HR Branding:** According to American Marketing Association, brand has been defined as a “name, term, sign, symbol or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competitors”. The same strategy which is applicable to products is also applicable to Human Resource department which can be called as “HR Branding”. Traditionally branding in Human Resource was limited to employment function. But now Human Resource branding is a new concept which has evinced a lot of interest. The various sub-systems of the Human Resource department in the organisation must strive to create a Unique Selling Proposition (USP) of the company so that the organization can grow in a big way in the long run. In today’s knowledge driven economy, Human Resource plays a strategic role in bringing in the right people into the right organization. Market research has revealed that strong brands contribute to strong competitive presence. In this way, it has been understood that Human

\textsuperscript{15} \text{Prof.Prachi Pargaonkar :http://www.citehr.com/8096-human-resource-accounting.html}
\textsuperscript{16} \text{http://humanresources.about.com/od/glossaryh/a/hris.htm}
Resource branding has become important for the organization to attract, retain and, motivate people to enhance the organizations growth\textsuperscript{17}.

10. **Supply chain management**: Supply chain management has been defined as the "design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally. Supply Chain Management draws heavily from the areas of operations management, logistics, procurement, and information technology, and strives for an integrated approach. The globalization of business, characterized by increased outsourcing, has firmly placed the spotlight on supply chains. It is common place for large corporations to have their supply chains scrutinized, especially when setting up factories in poor countries, in order to ensure there are no incidents of sub-standard employee conditions. Despite the two practices essentially having the same goal of improving organizational performance and enhancing overall business strategy, they have both evolved along separate lines and adopted their own philosophies. However when considering the similar challenges faced by these two areas of management, it is clear that Human Resource Management possesses the ability to improve Supply Chain Management as a whole.\textsuperscript{18}

11. **TPSA**: Technical Production Services Association\textsuperscript{19}.

12. **Downsizing**: Make an organization smaller by shedding staff\textsuperscript{20}.

13. **Strategic Partner**: A party with which a long-term agreement is reached for sharing of physical or/and intellectual resources in achievement of defined common objective. HR must become a partner in strategy execution. HR is responsible for the organizational architecture or structure. HR personnel would also have to work with the line managers in the execution and accomplishment of organizational strategy\textsuperscript{21}.

14. **Administrative Expert**: HR personnel should shed their image of policing, record keeping and routine processing work, while ensuring that the required routine work still gets done efficiently and effectively. This would require streamlining many HR functions and

\textsuperscript{17} Shubha Muralidhat, *Branding the HR Way*, The ICFAI University press, HRM Review, April 2009
\textsuperscript{18} http://www.bus-ex.com/article/supply-chain-hrm
\textsuperscript{19} http://acronyms.thefreedictionary.com/TPSA
\textsuperscript{20} http://www.investorwords.com/1571/downsizing.html
\textsuperscript{21} http://www.businessdictionary.com/definition/strategic-partner.html
automating processes using technology. This would also make the processes more cost efficient\textsuperscript{22}.

15. Employee Champion: As employee champions, Human Resource professionals are held accountable for ensuring that employees are fully engaged and committed to the organization. This role would thus involve understanding the reasons for and enhancing employee morale, as well as training line managers to recognize and avoid the causes of low morale, such as ambiguous goals and unsubstantiated performance appraisals. Being an employee champion also means being an advocate for the employees and representing their concerns to the senior management\textsuperscript{23}.

16. Change Agent: A change agent is an event, organization, material thing or more usually, a person that acts as a catalyst for change. In business terms, a change agent is a person chosen to bring about organizational change. Corporations often hire senior managers or even chief executives because of their ability to effect change. In a dynamic environment and in the face of competitive pressures, change is inevitable. Mergers and acquisitions, reorganizations and restructuring are the orders of the day. Human Resource must be able to build the capacity to embrace and implement new initiatives, ensuring that change initiatives are defined, developed and delivered in a timely manner. It also must plan for a smooth transition, bracing the organization for a resistance to change\textsuperscript{24}.

17. Transnational: Extending or operating across national boundaries\textsuperscript{25}.

18. Proactive: Creating or controlling a situation rather than just responding to it\textsuperscript{26}.

1.4. Review of Literature: The review of literature gives a prelude to every researcher. It serves as a good foundation that will lead the researcher in the right direction. With these aspects the researcher referred to several journals, reports, books and research works at national and international levels. The literature for every research is essential. Review of literature is an important aspect of any research. It helps to trace out the past trends in any particular branch of subject. Review of literature helps to identify the areas of research. There are a number of similar studies in the field of HRM in many industries. The previous study in

\textsuperscript{22}http://freehrguide.com/hr-administrative-expert/  
\textsuperscript{23}http://hrmadvice.com/hrmadvice/hr-role/ulrichs-hr-roles-model.html  
\textsuperscript{24}http://wiki.answers.com/q/what-is-a-change-agent  
\textsuperscript{25}http://en.wikipedia.org/wiki/transnational  
\textsuperscript{26}http://www.answers.com/topic/proactive
the field of Human Resource & the various studies relating to HRM in other industries are analyzed below.

1. Tiwary.S.T (1986), in his study titled personnel Management in Co-operative Institution Retrospect & Prospect” has analyzed the importance of Human Resource Management and its impact on the Society27.

2. Gopalsamy.R (1989), in his research work captioned, “A study of Human Resources in Ramnad District Central Co-operative Bank in Madurai” has studied the various aspects of the personnel management situations prevailing in the bank. He observed that the employees are recruited mainly from district employment office and the promotion policies adopted by the bank do not give satisfaction to the employees of the bank28.

3. Ravi Desari (2005), in his study entitled “People Management in IT industry; Issues and Imperatives” has analysed that the young, dynamic, and highly skilled software professionals have enabled the Indian Information Technology industry to enjoy an enviable position in the global Information Technology Market place. He has also pointed out that many Information Technology companies are practicing various Human Resource strategies to ensure that their employees contribute more to the organization’s goals. The article analyzes the Human Resource trends and issues in the Indian Information Technology Industry29.

4. Meenu Bhatnagar and Anandan Pillai (2004), in their study titled “Corporate Recruitment: An art or a task?” have analysed the issues and challenges faced in Corporate recruitment, and laid emphasis on the factors that the employees consider in selecting a company to work for30.

5. A.Muthusamy (1991), in his study on “A study of personnel Management in Amaravathi Co-operative sugar Mills Limited” has analyzed the working conditions of the workers in detail. He has suggested that in order to develop the morale of the

employees, the management must provide adequate housing quarters and adequate lighting and ventilation facilities in the buildings of the mill and provide training facilities to the employees\(^{31}\).

6. Wright and Hamilton (1998), said that employees with higher educational levels were found to be strongly influenced by expectations for mobility and promotion which led to different perceptions and reactions to current employment situations\(^{32}\).

7. Peters and Waterman (2000), argue that regardless of the nature of the business, the appropriateness or effectiveness of Human Resource Management will vary depending on the organizational life cycle or the product market within which the organization operates\(^{33}\).

8. Beer and others (2004), say, “The existing problems pertaining to management of personnel can only be addressed when the managers develop a perspective and a view on how they would like to see their employers involved in and developed by the organization”\(^{34}\).

9. Sable and Walton (2000), argue that consumer trends are indeed coming to reflect the need for high quality and as such appropriate and timely need to Human Resource Management is to increase Workforce Commitment\(^{35}\).

10. Markmam, Harlan and Hackett (1998), noted that age and educational level were most likely to be surrogate measures of employee aspirations and expectations regarding work roles\(^{36}\).

11. Schuler (2000), argues that HRM only proves effective if the firm emphasizes the importance of quality enhancement or innovation within its business strategy. If the organization is competing on price, the logical HR approach would be a focus on numerical flexibility and wage cost control. In such a situation the value and goals imbued within HRM are inconsistent with the organizations primary cost-reduction goals\(^{37}\).

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12. Teare and Brotherton (1991), explicitly suggest that terms and conditions, career structure, salaries and benefits are in need of improvement\textsuperscript{38}.

13. Lefever and Reich (1991), suggest the Human Resource Strategy appropriate to quality enhancement is to be one of high commitment. Conversely, where cost reducer business strategies are concerned, the use of non-standard labour and deskillling seems to be the appropriate Human Resource responses\textsuperscript{39}.

14. Weisner, Sakes and Summers (2007), say that the objective of any organization at the recruitment stage is to attract highly qualified applicants, hence, giving negative information beforehand might not put the organization even in the consideration set of the potential candidates. It is unlikely that a new and budding organization would take the risk of giving the new employees negative information. As per their observation it would result in a great loss for the Company\textsuperscript{40}.

15. Walker (1992), finds that recruitment and selection lie at the heart of how businesses procure human resource required to maintain a sustainable competitive advantage over their competitors\textsuperscript{41}.

16. Beaumont (2007), said that human resource policies and practices have to be consistent with the overall business strategy and these should emphasize teamwork, flexibility, employee involvement and organizational commitment\textsuperscript{42}.

17. Bartel (2007), found that investment in training boosts employee morale and increases performance\textsuperscript{43}.

18. Ferris R, Rosen, D.Sherman and Barnum.T (2004), felt that Human Resource Management is the science and the practice that deals with the nature of the employment relationship and all of the decisions, actions and issues that relate to that relationship. In practice, it involves an organization’s acquisition, development and utilization of employees, as well as the employees’ relationship to an organization and its performance\textsuperscript{44}.

\textsuperscript{39} Lefever and Reich(1991),http://books.google.com
\textsuperscript{41} Walker(1992), Firm Resources and Sustained Competitive Advantage”, Journal of Management,Vol.17,pp.99-120
19. Hall and Moss (1998), are emphasizing on the changing psychological contract amongst the employer and employees as one of the major impact of environment change is on employment policy issues. The psychological contract can be defined as the set of practical and emotional expectations of benefits that employers and employees can reasonably have from each other\(^{45}\).

20. Tahil Azim (2000), opines that Japanese hyper productive and efficient production regimes dubbed as ‘lean’ production can best be attributed to its most artful way of getting things done through “People Oriented HR Policies”. The rhetoric may be of employee involvement, development and autonomy but the reality is workers operating under clearly defined and dictated managerial guidelines under constant surveillance. In lean production everything ‘less’ is in fact more delicately compensated by more effort physical as well as mental of the workers where work is more intensified, stressful and pressing\(^{46}\).

21. Chatterjee and Pearson (2007), found that Human Resource practitioners currently expose practices that are in keeping with individual wants as well as the firm’s requirements. So far as such practices in India are concerned, Socio-Cultural norms and value systems decide the firm – level Human Resource Policies\(^{47}\).

22. Bartlett and Ghoshal (2004), said that first generation managers believe that financial capital is a critical resource that needs to be managed with adequate controls, and they need to recognize that human capital of “Skilled and motivated people are central to the operations of any Company that wishes to flourish in the new age\(^{48}\).

23. Rao and Drazin (1986-94), argued that whenever organizational decision – makers would perceive the existing skill set to be less than the required skill set, they would go for either recruitment or internal development of the employees\(^{49}\).

24. Boxall and Purcell (2007), commenting on the Human Resource strategy prescrible the AMO Rubric. Performance is seen as a function of employees’ ability (A), motivation (M) and opportunity to participate and contribute (O) organizations are


striving hard to find the premise under which the work system should be created to achieve the organizational goals with less and turbulence.

25. Bhatnagar and Sharma (2003), focused on the business partner role of human resources, namely, strategic partner, administrative expert, employee champion, and change agent roles. The results of the research study provide support for strategic HR roles in India, they are not so distinctive at, more importantly the strategic partner role is present in the same level as that of three roles.

26. T.Subamalar (2004), in her project report titled, “A study on Manpower planning and Recruitment” has concluded that the employees job assignments based on nature of project, technical knowledge is important for corresponding co-operation among juniors and seniors for excellent results.

27. Maju Nair (2005), in his article titled, “Harmonising Industrial Relation and HRM” has discussed industrial relations and HRM are directly relevant to competitiveness and how they are managed will impact on enterprise performance, viz its productivity, quality of goods and services, labour costs, quality of the workforce, motivation, prevention of disputes and aligning employees aspirations with enterprise objectives. Hence, collective bargaining should be viewed as a process and as including all mechanism introduced to arrive at a consensus on matters affecting the two social partners, even if they do not result in formalized agreement.

28. Vira Komarraju (2005), in his article, “HR Dimension to knowledge Management” has explained to increase the organization effectiveness in creating and sharing knowledge, HR can charter and road map ideas and vision for standards within the organization, define how groups can complement each other and work to prevent any clash of standardization efforts. It can influence the culture of the organization to move from training to learning, revise rewards and recognition to support change performance management.

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29. P.V. Raveendra (2006), in his article titled, “Making Gems through Employee Engagement” has highlighted the only sustainable competitive advantage for a company is “Human resource”. An engaged employee contributes more to the organizations’ success by being intellectual and emotionally bound with it. Such an employee is more likely to stay and become an advocate of the company, its products and services.

30. In the study on “Six sigma key to success a HR Perspective” Minakshi Chauhan (2007), has pointed out that the “Six sigma” means a perfection to 99.997%. It is a statistical concept that measures a process in terms of defects, the central idea of six-sigma is that if one can measure the defects in process, it can systematically figure out ways to eliminate them to approach quality level of zero defects. Human Resource plays a vital role in six sigma. Six sigma and HRM go hand in hand. HR persons contribute to large extent. These are:
   a. Selection and retention. The principle of ‘right men at right place at right time’ is the necessity of six sigma.
   b. Rewarding and recognizing six sigma team is a complicated process. In this regard the HR role includes analyzing existing compensation and redesigning in such a way that it supports six sigma team effectiveness. The six sigma work is mainly done through teams. HR role includes properly training employees about concept of six sigma and other team effectiveness skills like team work, conflict management, communications and the like.
   c. Training implementation – is fruitful, if proper training is provided. HR contribution in this area includes training employees at all levels about concept and benefits of six sigma.
   d. Change management – when organization is deciding to implement six sigma they need to introduce tremendous changes in functioning. So HR manager should take proper action to implement change.
   e. Communications – six sigma demands high amount of interaction and communication throughout the organization. Hence six sigma is much focused

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strategy. All the companies which have undertaken six sigma received large amount of benefit from it\textsuperscript{56}.

31. Sanjeev Sharma observed in his article (2007), ‘office politics have become the greatest cause of workplace stress’. According to research, a survey of 490 managers by research firm Roffey Perk found that 60\% believe an “increase in political behaviour in their organization in recent years” was their greatest cause of stress. This figure rises to 77\% for those working in the public sector. The management Agenda 2007 report also found that 7 in 10 respondents experienced stress as a result of work. However, this was down from 8 in 10 in 2005, and 9 in 10 in 1998. There has been a marked decrease in causes of stress relating to ‘increased workload’ and ‘increased responsibility’, according to the report. Conflict in the workplace has also increased, with 44\% of respondents believing organizational politics to be a main cause\textsuperscript{57}.

32. Mohit Saxena revealed in his article (2007), that outside friendship improves efficiency at workplace, have found that there are on-the-job performance benefits when co-workers are friends outside the office. A majority of executives (57\%) and workers (63\%) agreed that productivity improves when co-workers are buddies off the job. That is the finding from responses of 150 senior executives with the nation’s 1000 largest companies and from 519 full or part time workers in a telephone survey conducted by California based temping firm, Accountemps. Colleagues who are friends are more likely to support one another when presented with challenges or new responsibilities, enhancing workflow and team spirit. Accountemps chairman, Max Messmer said, supervisions can increase camaraderie by sponsoring team – building events and giving staff members the opportunity to get to know each other outside of an office setting\textsuperscript{58}.

33. Shanmugam.L.D,(1988), in his study titled “Human Resource Management in Co-operative sector” analysed the factors that affect the productivity of workers in Co-operatives. He has also underlined the importance of industrial relation in Co-operatives\textsuperscript{59}.

34. Belliappa.K.G, (1982), in his work captioned “Morale Building in Industry” has analysed the various aspects of human resources. He observed that the most valuable asset available to an organization is the human resources. The harassment of such sources to achieve the maximum results requires the existence of the highest possible morale. Greatest care needs to be taken in recruitment plan, refresher courses and formulation of sound management policies. The overall objective to be kept in mind is the need for acquiring and sustaining knowledge-oriented employees and managers, which constitutes the crucial factor in the success or failure of an enterprise\textsuperscript{60}.

35. Smith.E and Thomas.W.W, (1972), have studied the attitudes of employees. They viewed that the Indian industrial workers show contradictions of belief in group based participative decision making and little faith in the attitude of the managers for taking initiative and responsibility. There exists a high level of overall cynicism that ethics and morals would need to be compromised to accomplish a task and promotional process also involves their cynical response\textsuperscript{61}.

36. Gomathi.V,(1998), in her study titled, “A study of job satisfaction of Women Employees in Public and Private sector Banks in Tirunelveli Town” has analysed the theme of job satisfaction. She has found that the employees of Public sectors are highly satisfied than those in private sectors\textsuperscript{62}.


38. Elaine Varelas (2006), in his article titled “Getting Real about Employee Training” has emphasized while designing training and development, initiatives, discuss program objectives with line managers and ensure that they tie to perform for better impact\textsuperscript{64}.

Conclusion: The above mentioned review views the Human Resource Management from different perspectives and covers all the aspects of the subject which helps the researcher to authenticate the research work. The review assures wider scope for further research in the field which ends up in developing creative ideas and benefiting the society in many ways for nothing is possible without effective human resources. As far as the human beings are concerned with, they always urge for something challenging and new, hence the success not only lies in creating new ideas but to implement them for the satisfaction of both the employees and the management.

1.5: Objectives: The study focuses on the following objectives.

1. To examine the origin, history, growth and development of Human Resource Management in India.
2. To study about the profile of T.V.Sundram Iyengar and Sons Limited, Madurai and the Automobile Industry in India.
3. To study about the Human Resource Management practices in T.V.Sundram Iyengar and Sons Limited, Madurai, with reference to recruitment practices, training methods, packages, promotional policy and retirement benefits.
4. To inspect the implementation of safety and welfare measures in T.V.Sundram Iyengar and Sons Limited, Madurai, with reference to the Acts and Regulations.
5. To observe the descriptive data with regard to the different designations in the Company.
6. To analyze the job satisfaction of the employees in T.V.Sundram Iyengar and Sons, Limited, Madurai.
7. To arrive at the findings on the basis of the analysis and to suggest measures for better efficiency with reference to Human Resource practices.

1.6: Significance and Scope of the Study:

The present study is confined to Human Resource Management of TV Sundram Iyengar and Sons Limited in Madurai. The study is focused from the standpoint of the management executives as well as the employees of T.V. Sundram Iyengar and Sons limited, Madurai. The scope of Human Resource Management is, indeed, very vast and wide. It includes all activities starting from manpower planning till an employee leaves the organization. Accordingly, the scope of the study covers the implementation of HRM practices, working conditions, safety and welfare measures, grievance redressal procedure,
package provided, employer-employee relationship and employee empowerment in T.V.Sundram Iyengar and Sons, Limited, Madurai.

Since the company is involved in the business of automobiles, the report also intends to serve as a primer, describing the evolution of the Indian automobile industry and its current status. The globalization of the auto industry increasingly fosters the formation of new alliances and the entry of new manufacturers. In the context of developing countries, India offers a potentially large market and a growing manufacturing base.

The Indian auto industry is comprised of independent manufacturers and joint ventures (most involving foreign partners). That both classes offer examples of success and failure points to the need to carefully implement strategies. Nevertheless, there is an overall expectation of strong auto industry growth. There has been increasing interest from foreign manufacturers in the Indian auto industry, in spite of minor and random setbacks to expansion. The researcher hopes that this study would highlight the increased Indian participation in the global auto industry.

The basic objective of human resource management is to ensure that there are right people at right time and at right place. This study is aimed at highlighting the significance of Human Resource Management at organizational level. This study attempts to see the relevance of these aspects in the Human Resource practices of T.V.Sundram Iyengar and Sons, Limited, Madurai.

1.7. Research Design and Methodology:

The present study is based on both primary and secondary data. The primary data has been collected from the executives and the employees of T.V.Sundram Iyengar and sons limited, Madurai by using the interview schedule. The Secondary data are obtained from the offices of various strategic Business units of the organisation such as Dealership line of Business (DLOB), Parts Distribution Strategic Business Unit, Customer Centric Business Petroleum Products, Insurance, special products Strategic Business Unit and Tools and Garages equipment Strategic Business Unit.

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1.7.1. **Primary Data:** Being an empirical study, first hand data were collected through sample survey and interview of experts in the field.

1.7.2. **Secondary Data:** The Secondary data were also collected from various standard text books, research articles, reports, power point presentations of the corporate, manuals, leading newspapers, journals, and websites, which constituted a supportive literature for the purpose of making analysis and suggestions.

1.7.3. **Construction of Interview Schedule:** With reference to the objectives of the present study and based on the concepts underlying human resource management, three types of preliminary interview schedules were prepared. The schedules were redrafted after taking into account the views of the experts, executives of the company and academicians with reference to the contents, wording, sequence and format.

1.7.4. **Study Population:** The TVS Group traces its origin to a transport service, founded in 1911 in TamilNadu, India. Today, this renowned business conglomerate remains faithful to its core ideals of trust, values, service and ethics. The TVS Group is India’s leading supplier of automotive components and one of the country’s most respected business groups, charting a steady growth path of expansion and diversification. Currently this group comprises of around 30 companies. These operate in diverse fields that range from two-wheeler and automotive dealership, finance and electronics. Uniting these multiple businesses is a common ethos of quality, customer service and social responsibility.

T.V. Sundram Iyengar and Sons is the parent company of TVS Group and has its head office in Madurai. The company has its divisions and workshop situated in South Veli Street, Madurai and its factory in Narasingampatti near Melur, Madurai. The total number of employees in T.V. Sundram Iyengar and Sons, Madurai branch seems to be two hundred and thirty seven. The category of employees are segregated into three types namely workmen, staff and leaders. The researcher has chosen samples from various divisions of the concern comprising all categories of employees.

1.7.5. **Sampling Design:** From among the available category of workers in T.V. Sundram Iyengar and sons, Madurai, the researcher has chosen one hundred and forty employees consisting of 60% of the two hundred and thirty seven employees, for the purpose of the study. Stratified random sampling technique has been used by the researcher. The number and the details of the sampling design are presented in the table given below:
From the above table, it is clear that accurately 60 percent of the respondents were selected from each of the category for the purpose of the study.

1.7.6. Period of the study:

The primary data collected and used in the present research report pertains to a period of two years during July 2010 till June 2012.

1.7.7. Tools and Techniques:

The objective of the questionnaire is to assess the level of job satisfaction of the employees with respect to working conditions, safety and welfare measures, employer and employee relationship, employee empowerment, HRM practices, grievance redressal procedures and packages of the corporate. By using appropriate scales, scoring is done, results have been tabulated and analyzed with the help of various statistical tools.

The collected information through the questionnaire were classified and subjected to empirical validity. Reliability test is conducted to verify the accuracy of the data collected. The researcher had used One-way Anova, independent t-test, correlation and Manova for validating the hypotheses framed either to accept or reject the same, to find out the association and awareness among the dependent and independent variables and were used for finding their significance. Further to assess the perception among the respondents regarding the dependent variables, statistical tools like mean, standard deviation has also been used. All the findings are tabulated for quick reference of further research. To analyze the impact and influence between a dependent variable and one or more independent variables, stepwise
regression was utilized. Factor analysis is applied to test the most influencing and highly correlating variables towards any dependent variable. Discriminate function analysis is used to determine which independent variable discriminate between two or more naturally occurring groups of dependent variables. In addition to this chi-square test is also applied to all the variables to find the independency of independent variables with that of the seven dependent variables.

1.8. Profile of the study area:

Madurai is the oldest inhabited city in the Indian Peninsula. It is a city in the Indian State of TamilNadu and is the second biggest Municipal Corporation of TamilNadu. It is situated on the banks of River Vaigai in Madurai district. The city is widely known as the Temple city, and is often also referred to as Koodal Maanagar, Cultural capital of TamilNadu, Malligai Maanagar, Thoonga Nagaram, and Athens of the East. Madurai’s cultural heritage goes back 2,500 years, and the city has been an important commercial centre and has conducted trade as far as Rome and Greece since as early as 550 B.C. Madurai is known for its language, architecture, administration, education and economy.

Madurai is the home town of TVS Group. The organization has its origin in road transport when Sri.T.V.Sundram Iyengar started the first ever rural bus service between Madurai and Pudukkottai in the State of TamilNadu. This transport company grew to be the largest of its kind in India by diversifying into a variety of trading and service lines. T.V.Sundram Iyengar realized as early as in 1920 the importance of marketing spare parts and organized their distribution through every available channel. This firmly established the dominance of the company in the automobile Industry. Hence the researcher has decided to choose Madurai for her study.

1.9. Field work and collection of data:

After the preparation of the final Interview schedules, the researcher personally visited and collected the data from the employees working at various divisions in the study area. Since the interview schedule was in English, the researcher had to prepare another two sets of Interview schedules for the staff and workers in Tamil. The researcher explained the components to the respondents for their better understanding of the schedule. After filling up

the interview schedule, the researcher ensured its correctness and completeness by carefully going through the filled in schedule and getting necessary clarification from the respondents. The researcher could also get some valuable information from the respondents apart from those which have been asked in the schedule.

1.9.1. Data Processing: After the collection, editing and tabulation of the data, they were processed with the help of the computer. Basically the data was processed through and analyzed with the help of the SPSS package. Data and information are also collected by interviewing some key executives and getting manuals and records from them. In addition to the statistical analysis, the researcher has included certain descriptive details which were collected from all the three category of the employees.

1.10: Framework of analysis:

In the present study, seven dimensions have been identified to study the job satisfaction of the employees of T.V. Sundram Iyengar and Sons Limited, Madurai outlet. The dimensions are working conditions, safety and welfare measures, employer and employee relationship, employee empowerment, package, grievance redressal and HRM practices. In order to facilitate scoring, each component belonging to the seven dimensions, a 5-point scale has been used. The 5 points of the scale differs according to the nature of the dimensions which have been mentioned by the researcher in the fifth chapter. The scores allotted to these scales ranging from 1 to 5 are based on the respondents’ view. As per the scores allotted, the maximum and minimum score for the working conditions is 55 and 11, for safety and welfare measures is 70 and 14, for employer and employee relationship is 45 and 9, for employee empowerment is 50 and 10, for package is 15 and 5, for grievance redressal is 25 and 5 and finally for HRM practices is 30 and 6. Hence the scores secured by the individual respondents ranges within the above mentioned respective limits and according to which they are segregated into either four or three levels of satisfaction and used for the purpose of analysis.

1.11. Limitations of the study: Any study on Human Resource Management is beset with limitations and this study is no exception to this phenomenon.

1. This study is restricted to T.V. Sundram Iyengar and Sons Limited, Madurai, which is known as the Madurai outlet.
2. The limitations and bias of sampling technique applied in the present study may influence the findings of the study, despite every effort was made to have a representative sample.

3. It has been the experience of the researcher that data collection in interview schedule is very time consuming and consequently, the employees and executives are not normally in a position to spare time for responding to the questionnaire owing to their heavy schedule of engagements in business activities and hesitation to some extent.

4. The present study had the normal limitations of time, funds and other facilities commonly faced by a single researcher. The study has mainly concentrated on Human Resource management policies and practices of T.V. Sundram Iyengar and sons limited, Madurai and therefore other aspects such as marketing, distribution and finance of T.V. Sundram Iyengar and sons, limited, Madurai have not been considered. It is obvious that any corporate can have a well established Human Resource Management only when its organization on the whole is in tune with the ever changing environment forces of the society. The findings of the study can entirely be dependent on the sample and hence it cannot be generalized.

5. Further, considering the wider meaning of the term, “Human Resource Management”, the study is restricted to the human resource management practices and policies of the corporate and since the employees are not transparent in revealing their stress regarding the job, the same has not been considered for the study.

6. The total manpower strength of the company in Madurai comes to 237 out of which only 140 respondents were selected for the study as sample.

1.12. Scheme of Chapterisation:

Chapter I: Introduction and Research Design: The research work is branched off into seven chapters. The Chapter one identifies and specifies the problem of the study, lists the objectives for research, outlines the scope of the study, defines the operational terms used in the different parts of the research report, brings a summarized account of the related literature and highlights the significance of the present study. It also describes the methodology of the study, administration of sample study, methods of analysis of data, limitations of the study and the scheme of present research report.

Chapter II: Profile of the Company: Chapter II comprises of two sections under the caption ‘Profile of T.V Sundram Iyengar and Sons Limited, Madurai”. It portrays the heritage,
milestones achieved by its untiring effort, vision and mission statements of the Company, its quality objectives, and its role as a parent company besides giving details regarding its various lines of businesses and its divisions which is widely spread throughout the country. This chapter also provides the latest data regarding automobile industry in which the Company deals with. This chapter also attempts to provide data about the employees. It focuses on employees’ profile, designation along with grades and Company’s Human Resource policy.

**Chapter III: HRM Practices-An Overview**: Chapter III bearing the title “HRM Practices” brings forth the HRM practices of the company including recruitment procedure, training process, performance management system integrated with the promotional policy, relieving process, packages, other remuneration, rewards and welfare measures offered by the Company to its employees. This chapter also covers the activities of TVS trade union.


**Chapter V: Descriptive Data of the Employees**: This Chapter deals with the aspects which have not been covered in the analysis segment. This includes valuable data from various categories of the employees namely workmen, staff and executives. In this segment, the respondents have come out with the numerous facilities that are offered to them in the Company. Especially, the executives have given their point of views and facts relating to the eminent management of the Company in various dimensions. In particular, this Chapter helps the researcher to give more suggestions that would be of a great help to the Management of the Company. This Chapter consists of both open ended and close ended questions to elicit the required information from the respondents. Apart from the structured questionnaire, many
informal questions were asked then and there by the researcher to the executives and it has also been elaborated in the findings.

Chapter VI: Job Satisfaction Level of Employees-An Analysis: Chapter VI proceeds with analyzing the data and information collected on Human Resource practices in T.V.Sundram Iyengar and Sons Limited, Madurai, in relation to the Human Resource policy of the Company. The analysis covers the aspects such as recruitment, training, promotion, retirement benefits, assessment procedures, job satisfaction, working conditions, welfare measures, employees’ empowerment and the packages which are being implemented in the Company.

Chapter VII: Findings, Conclusion and Suggestions: This Chapter also provides the findings derived out of the research study about the Human Resource Management practices, personal suggestions of the researcher gained out of her own experience and knowledge and a generalization with regard to the learning of the researcher. The Chapter enumerates the reasons for the longstanding success of the Company and the norms which form a strong basement to attract the loyal customers towards the Company and sacrifice and the dedication of the organization as a whole to own a royal public image amidst the public. This Chapter also focuses on the extent of practicability of highly traditional employment culture by the employees with a great degree of sincerity.
### CHAPTER II

**SECTION A: PROFILE OF THE AUTOMOBILE INDUSTRY**

**SECTION B: PROFILE OF THE COMPANY**

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