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REVIEW OF LITERATURE
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2.1 INTRODUCTION

This chapter makes an attempt to review related previous studies and literature in this area. It will be useful to have an insight into the several aspects of the topic chosen.

2.2 REVIEW OF PREVIOUS STUDIES

Putnam, (1930) in his study entitled, “Improving Employee Relations” analysed the results of Hawthorne Studies and observed that the relationship between the first line supervisor and the individual worker was of more important in determining the attitude of the employees than any other single factor.¹

Kornhauser (1954) in his study, “Industrial Conflicts” concluded that a study of Industrial conflict needs to examine the total range of behaviour and attitudes that express oppositions and divergent orientations between individual owners and managers on the one hand and working people and their organization on the other. He further divides industrial conflict into two types:
namely, organised conflict, i.e., union and management conflict, and unorganised and individual conflict.²

Lallan Prasad (1968) in his study entitled “Personnel Management and industrial Relations in the Public Sector with reference to Hindustan Steel Ltd” studied the personnel management and industrial relations in the public sector with special reference to the Hindustan Steel Ltd. The study covered various aspects such as Organizational structure and relationships, employment and development of personnel, remunerating the personnel employed, morale of employees, industrial relations and labour participation in management programmes. It also revealed that industrial disputes inflict loss both to the employers and the employees besides being harmful to the general community.³

Rizvi and Mohammed Arif Khan F.H(1971) in their study entitled “Impact of Worker’s Education Schemes of Industrial Relations” investigated into the working of the participative forums in Organizations where they were working smoothly as well as in Organizations where they were facing hurdles. The main objective of the study was to determine how far the socio-personal characteristics of workers and their attitude towards trade unions and management influenced their interest in participation. The study noticed that there was no relationship between the workers’ caste, place of origin, level of skills, income and inclination for participation in any area of management. It
was found that the level of education of workers was the only factor that affected their interest in participative management.  

Rao. G.P (1974) in his study entitled, “Industrialisation and Worker Protest” observed that whatever be the management practices in an Organization, conflicts between employer and employees were bound to occur. The conclusion that emerged was that industrial dispute was an inevitable consequence of the process of industrialisation.

Arya P.P (1989) in his study entitled “Labour Management Relations in Public sector undertakings” emphasised the different aspects of the environment and culture of labour management relations in public sector in general and two public sector undertakings in particular. The study attempted to examine the attitudes of workers, trade union leaders and management personnel towards the labour-management relations. It was observed from the study that proper training after recruitment, reasonable wage structure, welfare facilities, workers’ participation in decision making and well defined promotion policy had a positive impact on the labour-management relations.

Micelli and Lane (1991), in their article entitled “Antecedents of pay satisfaction: A Review and extension” have quoted that one might expect employee satisfaction to be related to the actuarial value of benefits and the
level (i.e., amount and type of benefits) of a benefits package to be positively associated with employee satisfaction.  

Harris and Fink (1994) in their study entitled, “Employee benefit Programmes and attitudinal and behavioral outcomes” have found that a number of factors have contributed to employer provision of non-mandatory benefits such as health insurance and pension plans. These include self interest of the decision makers, union bargaining, tax advantages provided to companies by the federal government for offering certain benefits, the need to be competitive and retain employees, and union avoidance. The logic underlying employer strategies to voluntarily provide benefits suggests that benefit offerings are associated with employee benefit satisfaction, which in turn is associated with attitudes and behaviors that serve the employer's interests.

The implied process, based on social exchange, is that when employees are satisfied with benefits provided to them, they are committed to the employer, remain with the employer, and perform their jobs well, which in turn leads to strong organizational performance. Benefit satisfaction has been one area that has received some research attention by HRM scholars.  

Williams et al. (1994) in their study entitled, “Linkage between employee benefits and attitudinal and behavioral outcomes”, conceptualized and validated
a benefit offering construct consisting of two dimensions. One dimension related to benefit level, reflecting the value of benefit plans (e.g., levels of coverage, financial payments provided). The new dimension related to benefit system satisfaction which reflected employee perceptions of the system used to deliver such benefits (e.g., communications, billing support, ease of use). Whereas the benefit level dimension focused on the specifications of the benefit plans, the system dimension reflected the employee's perceptions of how benefits were administered.9

Williams (1995) in his study, “Antecedents of Employees Benefit Satisfaction” demonstrated that actuarial and perceived levels of benefits have differential impacts on benefits satisfaction. He found that employees' perceived level of benefits was more highly associated with benefit satisfaction than the “true” actuarial-value level of benefits provided. Moreover, she found no support for a positive relationship between perceived level and actuarial-value level, which provides a hint about a potential root cause of the benefit-satisfaction paradox. Williams also identified a set of individual difference factors including negative affectivity and the perceived-level of previous benefits among others that moderated relationships between both actuarial-value level and perceived-level, and actuarial-value level and benefit satisfaction.
The lack of support for the relationship between actuarial-value level and benefit satisfaction provides an opportunity for benefit researchers to contribute to the emerging strategic HRM literature on “perceived vs. intended” HRM practices. Williams' study foreshadowed evolving strategic HRM theory (e)
pension plans play a number of important roles for both employers and employees. Employer-sponsored pre-tax savings plans are popular because of their potential value to both employers and employees. Employers benefit because they can deduct any contributions made into the retirement plan at the time the contributions are made. Moreover, even if employers match employee contributions for some pre-determined amount, they match contributions only for employees who make contributions.

Pre-tax savings plans have the potential to benefit employees in three primary ways:

1. An easy way for employees to save--contributions are automatically deducted from employees' salaries,  
2. The employer-matching component provides a way for employees to make higher contributions without further reduction of their ascribed wages or salaries, and 
3. Pre-tax savings plans provide participants with substantial financial gain realized from years of compounding.
The potential gains from pre-tax savings plans for employers are most always realized. Unfortunately potential employee gains are not as easily obtained. In the past, under the defined benefit umbrella, employers chose the retirement plan for their employees and shouldered the investment risks while providing employees with a specified monthly income upon retirement.

Mitchell and Rappaport quoted that while employers provide pension plans for a variety of reasons, the overall goal of organizations is to design compensation systems that are consistent with their human resource policies.

It was found by Anne Foster that ironically, employees who are in the greatest need of employer-provided information about retirement-related issues are those who are least likely to benefit from provided information. That is, individuals who do not interact with a wide range of information on a daily basis are less likely to gain practical information from distributed materials. If employees are not able to translate employer provided retirement-related information into knowledge that will enable them to make wise investment decisions for the specific purpose of preparing for a financially secure retirement, they are in danger of retiring with less than sufficient funds for their retirement years and as a result are more likely to become a financial burden on society.¹⁰
Judge, Cable, Boudreau, and Bretz (1995) in their study entitled, “An empirical investigation of the predictors of executive career success” found that (long) work hours were positively related to managerial career advancement. The argument that work–family benefit utilization is low because of perceived negative career repercussions among employees seems legitimate.\(^{11}\)

M.U. Ahmed (1997) in his study titled, “The role of Labour Relation in Industrialisation of Bangladesh” sought to examine the trend and features of labour relations and its impact on productivity, development of human relation, investment expansion and growth of industrial sector, etc. He observed that in plant or national level, sound bipartite or tripartite relation was not developing due to lack of cooperation between labour, management, Government and Trade union. For this it was hampering industrial investment, productivity and industrialisation. Researcher found that following were the major causes of industrial unrest:

- Politically influenced trade union structure.
- Excessive and multiplicity of unions.
- Ineffectiveness of collective bargaining for bipartite negotiation.

Absence of sound institutional mechanism for successful tripartite negotiation in national level, etc.\(^{12}\)
Vasanthagopal. R (1998) in his study entitled, “A Study on the Labour Management Relations in Textile Industry in Kerala” studied the labour-management relations in textile industry in Kerala in order to assess the nature and causes of disputes and their impact on the efficiency of textile industry in the State. It also examined the performance of the dispute settlement machinery in settling disputes in textile industry in Kerala. The important findings of the study were that in textile industry, bonus, wages and allowance and workload were the main causes of disputes. It was also noted that the loss of profit owing to disputes in textile industry was not so significant. With regard to the performance of settlement machineries, the study revealed that indirect methods of dispute settlement such as conciliation and adjudication were not largely used in textile industry. The workers and managerial personnel preferred voluntary negotiation, conciliation, adjudication and arbitration as the desired forms of disputes settlement in textile industry in Kerala.13

Cully etal.(1999) in their study entitled, “Britain at work” have studied and mentioned that partly in response to these economic demands and partly as a consequence of other societal shifts, there have been corresponding changes in the composition and activities of the workforce. Most obvious has been the decline in trade union membership, activity and influence. Financial participation schemes take two main dimensions and both are important from a
policy perspective. The first approach involves distribution of shares to employees, based on the assumption that share ownership induces positive attitudinal and behavioral responses. In Britain, share-based schemes can be classified into two principal approaches, one where employees are offered shareholdings as part of remuneration and a second where employees have an option to buy shares in their own company. A second dimension of financial participation concerns flexibility of pay, where an element of remuneration varies with profitability or other appropriate performance measures.  

Bureau of Labour Statistics (2000) in its study, "National Compensation Survey observed, that during the 20th century, employers increased the economic security of employees by providing, in exchange for labour, benefits in addition to direct compensation. Apart from direct compensation, benefits encompass all other inducements and services provided by an employer to employees. Kaufman identified that like other HRM policies, employer-sponsored benefits have been shaped by social, cultural, and legislative forces.  

Williams, Malos, and Palmer (2002) in their study entitled, "Benefit system and benefit level satisfaction: An expanded model of antecedents and consequences" analysed the advantages of operationalizing benefits as part of the PSQ include that this approach allows measurement of benefits within the
context of compensation, is distinct from pay-related scales, and consistently exhibits high internal consistency.\textsuperscript{16}

Damu (2002) in an address titled, “It is time to liberalise labour legislation” mentioned that all three parties — government, industry and trade unions — are equally responsible when it comes to putting effective labour reforms in place. Tata Tea company has been providing a lot of welfare measures for its employees and their children beyond the scope of any legal requirement. These activities are costing Tata Tea a lot, and at a time when the tea industry is passing through a serious crisis. So the Tata Tea management requested its unions to cooperate with the company to increase productivity. This would have helped both the company and its workers, but the union leaders were not agreeable to the idea. Because of their adamant nature the company and its employees suffered. This sort of irrational and destructive approach is detrimental to India’s industry and economy. This kind of old-order trade unionism has to go. He has put forward some suggestions to ease the path to labour reform.\textsuperscript{17}

Eaton (2003) in his study entitled, “If you can use them: Flexibility policies, organizational commitment and perceived performance” studied about the work–family benefits to be effective, they must be culturally supported—including support from direct supervisors. Empirical results indicate that work–
family benefits are positively related to employee attitudes (e.g., organizational commitment) only when employees believe utilizing them will not result in adverse career consequences as per the study conducted by Eaton. In their study of organizational cultural support for work and family, Thompson et al. similarly found that benefit utilization was more likely when benefits were more readily available and when their use was supported by managers.\textsuperscript{18}

Jacoby (2004) in his study titled, “Theoretical Perspectives on the employment relationship” mentioned that most industrialized nations assure the welfare of citizens through government-sponsored systems that provide for the health and safety of citizens, protecting them from consequences of economic fluctuations. In contrast, in the U.S. a system of welfare capitalism emerged whereby employers, rather than the government, played a primary role in assuring the health and welfare of employees and their families. Welfare capitalism encompassed a wide range of private, firm-level social and benefit policies, including employee representation, recreation, stock ownership, and benefits relating to retirement, sickness, paid time off, and unemployment.\textsuperscript{19}

Scott,(2005) in his study entitled, “On Holywood: The Place, the industry concluded that the media houses have been practicing different welfare measures for their employees. Predictions that work in Welds such as computer programming, architecture, and graphic design will be globally sourced have
raised the specter of job losses among skilled workers in high wage economies. One of the most interesting cases tied to this controversy is that of so-called “runaway” motion picture and television production from the traditional center of entertainment media production in Los Angeles to non-US satellite production centers. Although runaway production is an old complaint in the entertainment media industries, the production location decisions of media entertainment firms since the mid-1990s look considerably different than those in the 1980s when a similar alarm was raised. Among the critical differences are: (1) the location of an expanded range of production activities in regions outside the “headquarters” location of Los Angeles; (2) the ability of transnational firms to access multiple, self organized and networked pools of skilled labor in production locations outside Los Angeles; and (3) the expanded role of the sub-national state in reducing the overall production costs of transnational firms, including those attendant to their use of skilled labor pools.

Transnational firms using skilled labor to produce creative or innovative products, face a particular set of problems. The first of these problems is labor supply – the continuous creation of a sufficiently large and skilled workforce, outside the historically sustaining framework of the firm.20

organizational Culture” found that the availability of work–family benefits and a supportive work–family culture interactively determined employee job satisfaction such that the former was generally important when the latter was low and vice versa. While these results should not be interpreted to indicate that formal supports are unimportant, they do stress the importance of interactive effects of formal and informal work–family supports for employee outcomes.\textsuperscript{21}

James H. Dulebohn (2006) in his study titled, “Employees benefit: literature review and emerging issues” have found that the impact of innovative human resource management (HRM) practices on performance is investigated using panel data for all units of a retail firm. Our rich data include measures of the operating environment, important dimensions of core inputs, and information on HRM environments, and output is measured as value added. We estimate augmented production functions, including both establishment and manager fixed effects. When employees have opportunities to participate, and receive appropriate information and feedback from their supervisors, productivity is enhanced. Thus, even in settings where employees do simple tasks and are relatively low-skilled, participatory work environments can enhance business performance.\textsuperscript{22}
Franz Traxler et al. (2006) in their study titled “Collective Bargaining, macroeconomic Performance and the sectrol Composition of Trade Unions” through their study reiterated that strong exposed-sector unions and weak public-sector unions are seen as having beneficial effects on macroeconomic performance. Although these effects must work through the bargaining structure, the interaction with union composition is unclarified. This paper argues that the interaction effect qualitatively differs with the bargaining type. The findings show that the performance of pattern bargaining significantly increases with growing exposed-sector union strength whereas uncoordinated bargaining and centrally coordinated bargaining do not interact with union composition.23

Scott Walsworth (2006) in his study entitled “Unions and Employment Growth: The Canadian experience” concluded using panel data from the Canadian Workplace and Employee Survey, the union effect on employment growth was examined. In line with previous North American findings, private sector unions are found to slow employment growth by approximately 2.2 percent per annum.24

Kelly (2006) in his study entitled, “Work family policies” stated access to flexible work arrangements and flexible scheduling, however, is generally determined on an individual basis, and only the highest performers typically are
awarded the opportunity to work on an alternative basis, thus limiting access to this type of “perk” for most workers.

While some employers have chosen to offer work–family benefits to support the challenges faced by an increasingly diverse workforce, researchers have found that their prevalence is limited. For example, Seyler, Monroe, and Garand found among a representative sample of Louisiana businesses that organizations rarely offered a systematic or comprehensive set of family-related benefits.

Likewise, nationally representative data from the Bureau of Labor Statistics indicated that the adoption of work–family benefits is generally low compared to other employee benefits. Osterman using data from the Survey of American Establishments on private sector employers with 50 or more employees, reported that “work/ family programs are less widespread than the popular press might lead one to believe” only 2% of employers offering on-site daycare, 9.4% offering eldercare referral services and 40.2% offering flexible work hours.

It may be noted that organizational theory suggests that institutional pressures dictate which types of organizations are more or less likely to adopt non-mandated benefit programs. On the other hand, the business case for work–family benefits, or the rational choice argument, Galinsky & Stein contends that
employers adopt benefits to gain competitive advantage through recruiting and retaining a high-talent, high-commitment workforce. Research in the management and organization literature has tested both arguments, and the results are somewhat supportive of each.

Scholars have argued that the mere presence of work–family benefits will not lead to desired outcomes for employees or employers when employee utilization of benefits is low (Thompson, Beauvais, & Layness, 1999). Secret found in a multi organization study that while most employees had access to work–family benefits, utilization is most categories was relatively low considering their availability. For instance, of the employees who had access to flexible work arrangements, 37% used them. Similarly, and more striking, only 1% of employees who had access to childcare services utilized them. Secret found that family role and demographic variables such as marital status and dependent care status were generally unrelated to benefit utilization, as were job attribute variables such as salary level and job tenure. Workplace structure characteristics, including sector, size and culture, however, were all significant predictors of benefit utilization. These results suggest that, when considered simultaneously, organizational characteristics, more so than family-related responsibilities, are key predictors of benefit utilization. Since employees for whom work–family benefits are intended for do not consistently utilize these
benefits, it is important to understand why this is the case. Work–family scholars argue that there may be an economic penalty associated with the utilization of work–family benefits. For instance, there is a pervasive perception that face time is important for recognition and, ultimately, career advancement. In support of this maxim, Glass (2004) found that new mothers who took advantage of work–family benefits experienced a slow average growth than mothers who did not use the benefits. Consistent with arguments that a lack of visibility in the workplace, perhaps due to the utilization of benefits such as flextime, can threaten employee's careers.  

Dencker, Joshi, and Martocchio (2007) in their study entitled, “Employee benefits as context for interrogational conflict”, argued that individual differences in benefit preferences emerge from the particular employment relationships with which individuals have the most experience. For example, older employees likely experienced or observed the period when career-long employment and cradle-to-grave benefits were provided by employers. As such, and given that they may have extensive service with an employer, they may prefer benefits in which the employer shoulders the risk of economic fluctuations and provides packages with defined benefits. In contrast, given that during their formative years members of Generation X and Y witnessed the dismantling of internal labor markets, job security and lifelong benefits, these
individuals may not expect—or even be willing to trust—employers to provide for their economic and health security. As such, these employees may prefer benefit programs in which employers define contributions and clarify which risks they will and will not bear.²⁶

Teresa Mastin (2007) in his study entitled, “Employer sponsored retirement Plans, a knowledge gap initiative” made a study with reference to the US employees on the retirement benefits offered by the respective companies. Results clearly indicate that preparing for financial security in retirement is perceived as important across employee groups. However, this finding is not reason for extreme optimism. That is, results from the general index show that there exists a substantial gap between employees' knowledge about investment-related concepts as a function of education. In particular, persons with higher levels of education were more knowledgeable about the investment concepts that enable people to make wise investment decisions in general, not just those decisions associated with a particular retirement plan.²⁷

Contemporary employees are becoming more aware of their responsibilities under the defined contribution umbrella. Unfortunately, the results of this study suggest that not all employees are in possession of retirement-related knowledge that will lead them to financially secure retirements. More specifically, results show that age, employee group, gender,
household income, and racial identification strongly effect individuals' knowledge about general and specific retirement-related issues.

Joseph Martocchio (2007) in his study entitled, “Employee Benefits as context for inter generational conflict” analysed work–family benefits are a form of accommodation and enhancement benefit; that is, they are a benefit designed to “promote effective coping skills and educational opportunities for employees and, sometimes, family members”. They are designed to address the conflicting demands between work and family. Despite the relative newness of work–family benefits, work–family benefits have come to represent a potentially important source of variability between organizations in terms of discretionary benefits—and thus a source of potential value in terms of attracting and retaining a talented workforce.

Researchers in the management and organization literature have most often focused on childcare services and flexible work arrangements. They have shown that employer support of childcare typically involves subsidizing on-site childcare, directly paying for childcare (either as an employee benefit or through a third-party vendor), or by providing information and referral services according to Goodstein (1994) in their study, “Institutional Pressures and strategic responsiveness: Employer involvement in wok-family issues” found
that workplace flexibility typically involves such programs and practices as flextime, part-time or reduced load work, job sharing and other flex options.\textsuperscript{28}

The Planning Commission (2008) in its report pointed out two of the major impediments in bringing about desired labour reforms. They are the anti-labour stand in the management mindset, and the labour prejudices. These must be researched and corrective action taken to smoothen the road to reform. Good and clean corporate governance is a vital necessity if labour reform is to happen. More and better attention has to be paid to human resource development. Industrial bodies have to take up worker education. The worker education models adopted by the Productivity Council of India, etc need a thorough revamping. There is tremendous labour potential in the rural sector. This has to be tapped by industry, with a renewed focus on unorganised labour. The media has been covering labour reforms and related issues for long. A media-relations strategy should be worked out to highlight issues relating to the subject. The improvement of labour welfare and increasing productivity with reasonable level of social security is one of the prime objectives concerning social and economic policy of the Government. The resources have been directed through the Plan programmes towards skill formation and development, monitoring of working conditions, creation of industrial harmony through infrastructure for health, industrial relations and insurance against disease, accident and
unemployment for the workers and then families. The situation of surplus labour and workers in the unorganised segment of the economy give rise to unhealthy social practices such as bonded labour, child labour and adverse working conditions.29

Johanna Weststar (2009) in his study titled “Worker Control and workplace learning” devised a model by using a sub sample of a unique data set on work and lifelong learning to develop the learning dimension of the Job Demand-Control model. The model is expanded by including three distinct learning behaviors to allow for a complete assessment of workplace learning. Worker control is also expanded to include often confounded dimensions of Social and Technical Control. The results confirm that different types of learning are related to different determinants and that Social and Technical Control are key factors in learning participation.30

Yojana (2009) in its editorial quoted that the evolution of media started off with the concern when India became independent that along with everything else it will also pursue a free media that was radically different from the concerns of Europe and USA centric media and also those from the communist state controlled media. That urge was fulfilled to a large extent by the setting up of two news agencies, the Press Trust of India and later the United News of India. PTI came into being just twelve days after 15th August 1947 to cover
Indian and South Asian news from the point of view of India, it began its news operations from February 1, 1949.31

Binoy Joseph et al (2009) in their study entitled, “Labour welfare in India” India's labour force ranges from large numbers of illiterate workers to a sizeable pool of highly educated and skilled professionals. Labour welfare activities in India originated in 1837. They underwent notable changes during the ensuing years. This article is a description of these changes and the additions which were included over this period. On the whole, it paints a picture of the Indian Labour welfare scene. The 10 Five Year Plans have had a tremendous impact. Further, the Indian Planning Commission has laid down measures to enhance the welfare of workers in various areas such as child labour, bonded labour, female labour and occupational safety and health. Welfare work in India (broadly defined) is carried out by various government and non-government Organizations of which the most important are National Government, State Government, Trade unions, the Public Sector and Private Sector nongovernmental Organizations. Activities in this area include provision of housing facilities, education, occupational safety and health, prevention of child and bonded labour, and enhancement of working women's welfare. Private Sector welfare measures are of a similar nature. Notable companies taking initiatives in this regard are Tata and Larsen and Toubro. The article points out
that the structure of a welfare state rests on its social security fabric. Government, employers and trade unions have done a lot to promote the betterment of workers' conditions. However, a great deal still needs to be done. This has given a clear idea of the status of employee welfare in India.\textsuperscript{32}

2.2 SUMMARY

In this part the researcher made an in depth review of previous literature to understand the concepts and problems and the research gap.
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