CHAPTER - I

INTRODUCTION
Transportation is gaining increasing importance in the newly-independent developing countries. This is due to the realisation that transportation is not only an indispensable service to link spatially separated activities, but viewed in a dynamic context, it is a strategic element which can determine the pattern and success of regional development. Owing, however, to the inability of a great majority of people in developing countries to own and maintain personal transport, there is growing emphasis on providing public transport services. It is being realised that freedom has no meaning to those living in remote areas unless certain basic level of mobility are assured in an effort to spread economic development evenly.

India has one of the largest road networks in the world. The volume of road transport has been growing at an average rate of 10 per cent, and it has emerged as one of the preferred modes of transport. It is estimated that road traffic, which accounts for 80 per cent of passenger traffic and 60 per cent of goods traffic, will account for 87 and 65 per cents respectively by the end of the present millennium.¹

Bus transport has had its beginning as a ‘feeder service’ to the railways since the first World War and within a short period of time became so popular as to effectively compete with the railway system. This led to government intervention in the interest of co-ordination between rail and road transport, and to exercise greater control for planned expansion and passenger safety. After India's independence in 1947, bus transport was regarded as an essential ingredient in building a viable infrastructure for economic development, and suitable legislative and other measures were taken to progressively bring bus transport into public sector. At present there are 71 State Transport Undertakings (STUs) in the country owning 1,15,157 buses.²

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According to the Road Transport Corporations (RTC) Act 1950, the purpose of establishing the STUs is "to provide, promote or secure an efficient, adequate, economical and properly co-ordinated transport service, and while doing so, to abide by business principles in managing the organisations created for this purpose". The five objectives mentioned in the RTC Act are briefly explained below.

1. **Efficiency**: Efficiency is essentially from the point of view of the passenger who considers a service efficient if it is punctual, regular, reliable, safe and comfortable. The passenger also expects courtesy from the operating staff and places a premium on cleanliness.

2. **Adequacy**: It is difficult to measure adequacy in a situation where even the basic needs are not met and where more demand for transport is added everyday. It is not enough for a public sector transport organisation to maintain efficiency in its existing operations: it should strive to augment and expand its operations in order to reach more people over larger areas.

3. **Economical service**: The cost of providing the service should be least inflated by organisational inefficiencies and the passenger should get the maximum possible service for the amount of fare he/she pays.

4. **Proper coordination**: Uneconomic competition with other modes of transport should be avoided. Bus transport should become a part of the transportation network, to feed, instead of competing with, the railways.

5. **Conforming to business principles**: While providing economical service, the organisation should achieve a profit margin which will enable it to expand and improve its services, and ensure its long-term survival. Unless the organisation is able to stand on its own feet, it cannot fulfil the purpose for which it has been created.

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With regard to the organisational forms of 71 STUs in India, there are (i) 8 STUs functioning as 'departmental undertakings' of the State governments; (ii) 11 STUs managed as 'municipal undertakings'; (iii) 31 STUs formed as companies or corporations under the Indian Companies Act, 1956; and (iv) the remaining 21 STUs formed as Road Transport Corporations under the Road Transport Corporations Act, 1950. The last one mentioned is the most popular organisational form of STU in India, and the Karnataka State Road Transport Corporation (KSRTC) comes under this category.

The employees of a public passenger transport organisation can be broadly classified into four groups: (i) drivers, (ii) conductors, (iii) mechanical or maintenance staff, and (iv) administrative and supervisory staff. The general atmosphere in which the transport employee works is totally different from that in which a factory worker is doing his/her work. The thumb-rules generally applicable to personnel problems in other industries do not always hold good in the case of transport industry. Furthermore, there is an imperative need to avert the kind of unrest in the organised transport industry in view of the great hardship it will cause to the members of the public.

The drivers and conductors together constitute the 'running crew' of a public passenger road transport service organisation. They come in close direct contact with the travelling public (customers) everyday. Hence they are the connecting-links between the organisation and the customers.

The driver's job and the maintenance of the vehicle are closely related. It should be noted that performance of the vehicle depends to a large extent on his driving habits. A good driver can substantially reduce the operational and maintenance cost by avoiding over-speeding, sudden braking, not indulging in the undesirable habit of riding on the clutch, and so on. He can promote safety by preventing accidents which result in substantial anguish to the community and loss to the organisation. On the traffic side, he controls the operation and on him, largely depends proper maintenance of traffic
schedules, operation of trips on time, minimum missing of trips, and proper parking of buses at the stands. The present day bus driver is called upon to handle a powerful machine at fairly high speed and the responsibility he shoulders to protect the precious lives carried by the bus is a source of tension to the driver when he is at the wheel. He will have to keep up the pace to adhere to the fixed timings. Passengers will be shouting at him if he does not drive fast enough. At the same time, the condition of the road may not be quite good; there will be pedestrians, slow-moving vehicles using the road in an erratic manner much to his annoyance. The condition of the vehicle may not be as good as he would like it to be. For any accident on the road he will have to answer whether he is responsible or not. In any accident involving a bus with a car or bullock cart or pedestrian, the public-at-large blames the poor bus driver even if he is not to blame.

Public transport drivers are often criticised for their bad driving habits and improper behaviour. It is, however, not realised that the driver's work, particularly in city operations, involves considerable skill, strain, concentration, and unusual hours of work in all types of weather conditions. The driver faces the risk of arrest and prosecution every moment since he can get involved in accidents for no fault of his.

The source of tension of a conductor is different. He has to deal with a cross section of the society in his day-to-day work. He may have to deal with students, office-goers, villagers, pilgrims and so on. Often his patience will be tested by the travelling public. On the one hand, he has to issue the right tickets, collect the correct fare, when over-crowded to have the excess passengers pacified and settle down without creating any problem and ensure that correct timings are adhered to. These responsibilities impose a heavy burden and one has to condition one's mind to discharge these duties without getting irritated.

Another important source of mental tension under which the 'running crew' work is the heavy statutory requirements which every member of the crew has to comply with. In a conventional factory it is the employer's
responsibility to ensure that the various provisions of the Factories Act, 1948 are complied with and the individual workers do not get penalised by the custodians of law for any lapses, whereas in the case of transport industry, the Motor Vehicles Act, 1939 imposes heavy responsibilities on the crew. The driver and the conductor will have to take licences under the Motor Vehicles Act and keep them up-to-date. They have to ensure that the permit conditions of the vehicles they ply are satisfied. Should there be any overloading or overspeeding or plying of the vehicle in the wrong route, the crew can always be taken to task. Punishments like suspension of licence are imposed on the members of the crew. Besides, they will be fined by the police department for traffic offences like parking in the middle of the road, overloading and so on. These are the sources of friction between the crew and the police and licensing authorities.

The employee of a public transport undertaking is again treated differently by the members of the public who take it that he is their own employee and behave as such. He does not have the immunities which a public servant has. This anomalous situation makes him bitter and irritant.

The other two categories of employees in a transport organisation - the mechanical or maintenance staff, and the administrative and supervisory staff - work under more or less identical situations as their counterparts in any other organisation. However, they tend to develop a feeling that their work is not recognised in view of the fact that the user-public see only the 'running crew' - the drivers and conductors at work. The work that goes into the maintenance of the fleet and other items of the work which are equally necessary to keep the fleet going is not fully appreciated by the layman. Further, the maintenance group works under severe strain to adhere to the requisite time schedules in order to enable the vehicle to go on its trip in time. The maintenance staff is called upon to do the 'dirty work' that is to set right defects that may develop on account of the bad handling of the buses by some of the members of the crew. Worse still, when he is busy with routine maintenance work he will be burdened with the unpleasant task of attending to emergency work. To a devoted maintenance worker it will be a painful
experience to find that a bus which he maintained with so much of care comes back to him totally damaged in an avoidable accident. He is helpless and he feels that the crew are not behaving in as responsible a manner as he does. Very often he finds that the crew blame him for not doing his job properly and at times he finds himself accused of having been responsible for break-downs and accidents caused by mechanical faults.

The administrative and supervisory staff also have got to discharge onerous responsibilities. To name some of them, they have to see that proper accounting of receipts and expenditure are maintained, the various inputs are arranged, that spares, tyres, diesel are supplied, that permits are obtained in time, that taxes are remitted, cash accounts are maintained, various statutory formalities are complied with. They do their work behind the scene and very little is known to the travelling public of the work turned out by this category of transport employees.

The State Transport Undertakings (STUs) in India generally face difficulties in attracting, motivating and retaining highly competent, skilled, committed running crew, particularly the drivers. The status which the driver has in society, the conditions of his work and the wages that he gets, are still such that, by and large, only persons with very little education get attracted to this profession. It should be noted that merely increasing the monetary rewards is not likely to provide a lasting and effective solution and, in all probability, will have a counter-productive effect. What is really required is a comprehensive programme consisting of proper recruitment and training of running crew, improving their working conditions and quality of their worklife, improving promotion avenues, and introducing motivations for higher productivity, service excellence, and better work commitment. There have been private transport organisations which have been successfully running for decades under the stewardship of one individual who has had 'good rapport' with his/her employees, and the same organisation can be found to be crumbling like a pack of cards just after the particular individual
is removed from the scene. This is mainly because his successor has failed to show the same understanding and care to the employees. Ultimately it is people who keep the place and set the pace of organisational progress by continuously creating and adding value to whatever they do in the organisation.

In accounting language, added value is the difference between the income of the business arising from sales (output) and the amount spent on materials and other purchased goods and services (input). In more general terms, it is the development and use of any resource (human and non-human) in a way which ensures that it yields a substantial and sustainable higher return on whatever has been invested in it. Added value, in an organisation, is created and sustained by people: people at various levels in the organisation who create and share visions, define values and missions, set goals, develop strategic plans, and implement those plans in accordance with the underpinning values. Added value will be enhanced by anything that is done to obtain and develop the right sort of people, to motivate and manage them effectively, to gain their commitment to organisational values, to build and maintain stable relationships with them, to develop the right sort of organisation structure, and to deploy them effectively and productively in that structure.

According to Porter (1985), three of the most important factors ensuring organisational success are innovation, quality, and cost leadership but he also recognises that all these depend on the quality of an organisation's human resource. Unique talents among employees, including

superior performance, high productivity, flexibility, innovation, and the ability to deliver high levels of personal customer service are ways in which people provide a critical ingredient in developing an organisation's competitive position. People also provide the key to managing the pivotal interdependencies across functional activities and the important external relationships. One of the keys to 'competitive advantage' is the ability to differentiate what the business supplies to its customers from those supplied by its competitors. Such differentiation can be achieved by having 'higher quality people' than those competitors. Then to gain and retain competitive advantage is significantly influenced by an organisation's human resource policies, strategies and practices which are a unique blend of processes, procedures, personalities, styles, capabilities and organisational culture.

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 organisation's acquisition, development, and utilisation of employees, as well as the employees' relationship to an organisation and its performance.¹

Human resource management is the term increasingly used to refer to the philosophy, policies, procedures, and practices related to the management of people within an organisation. Major aspects of human resource management include attracting talented people to the organisation; choosing the most qualified candidates from among the applicants; orienting and training new employees; retraining experienced employees; motivating all employees and evaluating their performance; rewarding and compensating everyone on the staff; and sometimes disciplining, discharging, transferring, or promoting someone. It is now generally accepted that human resource

management encompasses a dynamic, organisation-wide perspective that is action-oriented and based on theory and research from many disciplines, and is necessarily interrelated with strategic planning.

CONCEPTUAL FRAMEWORK

The field of human resource management (HRM) has emerged, developed, and evolved during the 20th century to represent one of the more interesting and important areas of organisational science and practice. HRM represents a response to the dramatic and continued change that industrialisation has had on society and the world of work.¹

The term HRM reflects the evolution of a science and practice distinct from its predecessor label, personnel management. The connotation of the term HRM is distinct from personnel management in the following ways. First, whereas personnel management implies human resources as expenses, HRM indicates an emphasis on human resources as organisational assets.² The terminology, HRM, communicates a focus, not only on people as human resource, but also as a resource to be managed with other organisational resources.³ The view of employees as resources to be managed rather than expenses is indicative of the recognition that today an organisation's competitive advantage is increasingly dependent on its human, rather than capital resources.⁴

The responsibilities of yesterday’s personnel managers were characterised as maintenance activities, primarily at the operational (short-term) and secondarily at the managerial (medium-term) levels of the organisation. In contrast, today human resource managers need to function successfully at three organisational levels: operational, managerial and strategic (long-term). That is, the transformation to HRM has resulted in the inclusion of functions at the strategic level as well as expanded managerial-level activities. The new roles of today’s human resource manager include: strategic business partner, employee advocate, diversity manager, maintainer of organisational culture, facilitator of organisational change, and internal consultant.

Distinctions of HRM practice today include the following four features. First, HRM is characterised by the emphasis on the integration of traditional personnel management activities as well as HRM’s involvement in overall organisational planning and change. Second, HRM today is characterised as a partner in organisational change, creator of organisational culture, and facilitator of organisational commitment and the exercise of initiative. Third, HRM is characterised by the decentralisation of many of the traditional human resource management activities from personnel

management specialists to senior line management. Fourth, current HRM practice is characterised by a focus on individual employees rather than on collective management-trade union relations. In general our today's HRM function has been described as: broad and strategic; involving all managerial personnel; regarding employees as the single most important organisational asset; being proactive in its responsibilities; and having the objective of enhancing organisational performance and meeting employee needs.¹

The field of HRM has not only developed out of changes that have occurred, but also represents one of the primary vehicles by which organisations have dealt with these changes. The field of HRM was formed from the merger of scientific management, welfare work, and industrial psychology around the time of World War I. This symbiotic merger of disparate approaches to worker management has continued and is representative of the character of HRM. HRM has continued to evolve, draw in its theories and knowledge from various disciplines. As such, from its beginning to the present, HRM has been a multidisciplinary field that has represented a "cross-roads" where practitioners and scholars from various disciplines meet to exchange views on various aspects of the employment relationship.²

Controversy in the area of meaning of HRM turns on the imprecision, variability, ambiguity and even contradictions which have been seen to imbue the construct. Noon (1992) asks whether HRM is 'a map, a model or a theory'³ and Keenoy (1990) refers to its ambiguity.⁴

References:
Legge (1989) exposes its contradictions\(^1\) - as do Blyton and Turnbull (1992).\(^2\) There is much truth in the point that there is often a certain evangelicalism about HRM and associated managerial movements. Storey (1995) defines HRM in the following manner:

Human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personnel techniques.\(^3\)

A useful way to describe human resource management as it is practised today is in "process-systems" terminology. A 'process' is an identifiable flow of interrelated events moving towards some goal, consequence, or end. A 'system' is a particular set of procedures or devices designed to control a process in a predictable way. The significance of the process-systems view is that (1) it takes in to account the interdependence of all aspects of human resource management, and (2) it recognises the relationship between human resource activities and organisational goals.

According to the process-systems view, human resource management is the systematic planning, development, and control of a network of interrelated processes affecting and involving all members of an organisation. These processes include human resource planning, job and work design, job analysis, staffing, training and development, performance appraisal and

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review, compensation and reward, employee protection and representation, and organisation improvement.¹ To effectively manage these processes, human resource systems are planned, developed, and implemented through the combined efforts of all managers and human resource specialists - and frequently all employees - in an organisation.

Three categories of factors - external, internal, and outcomes - could be identified which are considered crucial in organisational performance. All are interrelated, and influence or are influenced by human resource management. The external factors are human-cultural factors, technology, natural resources, economic factors, regulatory measures, and markets. The internal factors are human resource management; financial, technological and physical resources; structure; organisational climate; motivated behaviour and teamwork; organisational culture; management philosophy; and leadership style. The extent to which the organisation attains success on measures of organisational performance outcomes - effectiveness, efficiency, development, and participant satisfaction - depends heavily on how well the internal factors are managed and how well the organisation accommodates to and uses such external factors as available human skills and capabilities, available technology and natural resources, and regulatory measures.

In the internal environment of an organisation human resource management is central, affecting in particular the motivation and teamwork of the employees. Technological and physical resources also affect performance and employee relations, and adequate financial resources are necessary to maintain good HRM policies.

The various components of the structure - management systems, job design, organisational hierarchy, layout and physical arrangement, and work rules and regulations - constrain and channel behaviour. Structure affects

interactions among employees and, in turn, efficiency and employee satisfaction. It is important to be alert to the degree to which various structuring mechanisms - including those in human resource management - strengthen or inhibit individual and organisational performance.

Management philosophy about how people should be managed has a powerful effect throughout the organisation. Values and ethics are extremely important aspects of management philosophy. Effective leadership - the process of influencing individual and group behaviour towards the attainment of organisational goals and vision - requires a mix of traits and behaviour appropriate to the conditions or forces present in the situation. This will have a number of implications for human resource management in the areas of staffing, training and development, and the design of personnel techniques and programmes generally.

Organisational culture is another internal factor crucial to organisational performance, and one that interacts with human resource management. The cluster of values and beliefs, assumptions, myths, norms, goals and vision that are widely shared in an organisation make up that organisation's culture. It is somewhat difficult to pin down or measure, but can often be inferred from making an observation of what people say, write, and in particular, do. Human resource manager and other managers should be concerned and analytical about organisational culture because people and organisation need to be masters of that culture rather than victims of it. It also influences the organisational climate and organisational performance.

Organisational climate is the measurable collective perceptions of employees about the culture, leadership style, structure, and human resource policies and practices of an organisation. Research indicates that how people perceive the organisation is related to organisational performance.¹

The major components of the external environment of an organisation include economy, labour market, technology, legal/political, social/demographic, competition, and market (customer/clients). The trends and status of these components of the external environment tend to influence the formulation of overall and human resource strategy. When an organisation makes decisions about such issues as the market in which it will compete, how it can ensure continued growth over the next several years, and ways in which it can better utilise its human resources, it is formulating corporate strategy. To formulate strategies managers try to find a way for their organisations to best fit into the environment in which they function. To do this, they must understand the current environment as well as predict any changes that may occur in that environment, all the while being sure that they understand their customers' needs and expectations.

Strategic Human Resource Management

The widening scope of HRM also has resulted in the development of strategic human resource management (SHRM).\(^1\) Strategic human resource management represents an effort to link HRM activities to a firm's business strategy.\(^2\)

A strategic approach to human resource management (1) explicitly recognises the impact of the outside environment; (2) explicitly recognises the competition and the dynamics of the labour market; (3) has a long-range focus (3-5 years); (4) focuses on the issue of choice and decision making, (5) considers all personnel, not just hourly or operational employees; and (6) is integrated with overall corporate strategy and functional strategies.\(^3\)

The particular human resource strategy adopted by an organisation should be integrated with its corporate strategy. Accordingly, corporate strategy should be determined first, then human resource strategy should be developed. The human resource strategy that is developed should be consistent with the corporate strategy. As Leonard Schlesinger states, human resource management needs to get out of the "people business" and into the business of people.\(^1\) Basically, the strategic human resource approach is involved in strategic planning and decision making and it coordinates all human resource functions for all employees.

Strategic HRM generally refers to a long-term view of human resource management policy, and a simultaneous horizontal integration of the various human resource management functions, and a vertical integration with corporate strategic planning. Thus this integration has brought the human resource management function into closer contact with the top executives of the firm, and has helped to craft a role for human resource manager as a strategic business partner who is absolutely critical to the organisation's ability to be effective and deal with key challenges and changes in the work environment. The perspective is representative of the assumptions that HRM activities are organisational in scope,\(^2\) that HRM issues need to be considered in the formulation and the implementation of organisational strategy,\(^3\) and that HRM practice influences the organisation's performance.\(^4\) Finally, strategic human resource management represents a


\(^2\) Schuler, R.S., "Repositioning the Human Resource Function: Transformation or Demise ?," *Academy of Management Executive*, 4, 1990, pp. 49-60.


contingent approach to organisations since, "different organisational strategies require different behaviour and, therefore, different human resource management practices to elicit and reinforce those behaviours".¹

Strategic human resource management for Odiorne (1985) means building on 'human capital' theory. His central line of argument is worth quoting at some length:

Conventional wisdom in management as well as economics has viewed the employee as one of the three factors of production: land, labour and capital. In such a paradigm labour is an expense item and its contribution to value-added lies in its cost being minimised. This concept has produced the effect of the employee being treated as an expense item on the profit and loss statement. The new human capital theory on the other hand sees the employee as an asset that should be valued in much the same way that other assets - such as factories, computers or inventories - are valued. Far from being mere word chopping this new paradigm has enormous implications for the human use of human beings. It also has major implications for the professional field of personnel and employee relations because the treatment of human assets and their valuation, acquisition and disposal call for new rules and strategies.²

In addition to the general SHRM approach, there have been recent efforts to integrate HRM activities by placing HRM in a broader context and

a higher level of analysis. First, not only has the SHRM perspective been
used to relate the overall HRM function to business strategy, but also to
highlight the strategic aspects of particular human resource management
activities,\(^1\) and of HRM in particular contexts.\(^2\) Second, other perspectives on
HRM that have been recently introduced include the political perspective,\(^3\)
the economic/utility perspective,\(^4\) and the international perspective.\(^5\) These
perspectives provide a more holistic view of HRM activities and are
suggestive of the broadening nature of the field.

**Human Resource Management Models**

The decade of the 1980s was dominated by the discussion on and the
development of the topic of human resource management (HRM). The debate

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   23, 1984, pp. 381-394;
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3. Ferris, G.R., and Judge, T.A., "Personnel/Human Resources Management: A

4. Jones, G.R., and Wright, P.M., "An Economic Approach to Conceptualising the

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relating to HRM perspectives continues today. The focus of the debate has changed over time. It started by attempting to draw differences between 'personnel management' and 'HRM' and attempting to incorporate industrial relations into HRM, examining the relationship of HRM strategies, and then the extent to which HRM as a key means to achieve competitive advantage in organisations. Over the years, the nature of human resource function has changed drastically from reactive, prescriptive, and administrative to proactive, descriptive, and executive. Five main models of HRM, namely the 'matching model,' the 'Harvard model', the 'contextual model', the '5-P model', and the 'hard and soft versions of HRM' explain these developments and the increasing scope of the topic.

The 'matching model' of HRM which was introduced by Fombrun et al. (1984) highlights the 'resource' aspect of HRM and the efficient utilisation of human resource to meet organisational objectives. This approach of HRM is criticised for adopting a 'hard' core approach towards human factor on the

assumption that HR function is reactive in nature. This model emphasises on the 'tight fit' situation between business and HR strategy where the latter is dependent on the former. It also ignores the employees' interests and the labour relations which are equally significant.¹

To save HRM from such controversies the 'Harvard model' of HRM was articulated by Beer et al (1984).² Compared to the matching model it is termed as the "soft" variant as it does not emphasise on the 'tight fit' aspect of business and HR strategies, and gives due consideration to human relations and the interests of different stakeholders. It emphasises on four broad policy areas - human resource flow, reward systems, employee influence, and work systems - which characterise a series of tasks which managers must attend to. The attraction of the model lies in both the breadth of content covered by these policy areas and the emphasis it gives to developing broad patterns of activity.³

Guest (1991) criticises the 'Harvard Model' of HRM for not explaining extensive relationship between strategic management and HRM.⁴ Hendry, Pettigrew and Sparrow (1988) showed the crucial role of HRM in managing organisational change.⁵ They developed the 'contextual model' of HRM at the Warwick Business School. Their model emphasises on strategy making in

complex organisations and related this to the ability to transform HRM practices. It examines the link between strategic change and transformations, and the way people are managed.¹

The current debate has shifted towards the integration of HRM into the business strategies, as researchers and practitioners attempt to highlight the growing proactive nature of the HR function and its potential importance to the success of organisations.² The terms 'strategic human resource management,' (SHRM) and 'human resource strategy' are an outcome of this debate. Schuler (1992) argues that SHRM is largely about the 'integration' and 'adaptation' of 'people-related business issues'.³ The concern of SHRM is to ensure that:

1. HRM is fully integrated with the strategy and strategic needs of the firm;
2. HR policies are coherent both across policy areas and across organisational hierarchies;
3. HR practices are adjusted, accepted, and used by line managers and employees as part of their everyday work.⁴

The topic of SHRM therefore has many different components, giving considerations to policies, culture, values and practices.⁵ To explain how

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⁴ Ibid., p. 18.
various HR activities fused into the strategic needs of the organisations
Schuler (1992) developed a '5-P model' of SHRM.1 This model explains the
significance of SHRM activities in achieving the organisation's strategic
needs. The 5-Ps stand for the HR philosophy, policies, processes,
programmes, and practices. This model proposes that the framework of
strategic human resource management is made up of all activities affecting
the behaviour of individuals in their efforts to formulate and implement the
strategic needs of the business.

At this juncture, it is necessary to clarify and elaborate Storey's (1987)
distinction between 'hard' and 'soft' normative models of HRM, the former
reflecting a 'utilitarian instrumentalism' and the latter more reminiscent of
'development humanism'.2

The 'hard' model stresses HRM's focus on the crucial importance of the
close integration of human resource policies, systems and activities with
business strategy, on such HR systems being used 'to drive the strategic
objectives of the organisation' as Fombrun et al (1984) put it.3 This requires
that personnel policies, systems, and practices are not only logically
consistent with and supportive of business objectives, but that they achieve
this effect through their own coherence.4 This perception of 'resource'
appears to underlie Torrington and Hall's (1987) model of HRM, with its
reference to appropriate factors of production ('numbers' and 'skills') at the

'right' (implicitly the 'lowest possible') price.¹ In essence, then, the 'hard' model emphasises the 'quantitative, calculative and business strategic aspects of managing the headcount resource in as "rational" a way as for any other economic factor'.² Its focus is ultimately human resource management.

In contrast, the soft 'developmental humanism' model, while still emphasising the importance of integrating HR policies with business objectives, sees this as involving and treating employees as valued assets, a source of a competitive advantage through their commitment, adaptability, and high quality (of skills, performance and so on).³ Beer and Spector (1985) state that employees are proactive rather than passive inputs into productive processes; they are capable of 'development', worthy of 'trust' and 'collaboration', to be achieved through 'participation' and 'informed choice'.⁴ The stress is therefore on generating commitment via 'communication, motivation and leadership.'⁵ If employees' commitment will yield 'better economic performance', it is also sought as a route to 'greater human development'.⁶ In this model, then, the focus is - HR policies to develop 'resourceful' humans⁷ - on human resource management.

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Clearly, these rather different emphases are not necessarily incompatible. When an organisation pursues a strategy of producing high value-added growth, rather than asset management, treating employees as resourceful humans to be developed by humanistic policies makes good business sense. This is conveyed in the definitions of HRM of Hendry and Pettigrew (1986)\(^1\) and of Beer and Spector (1985),\(^2\) Walton (1985)\(^3\) and by Guest (1987).\(^4\) But what of the organisation that, as part of its asset management, chooses to compete in a labour intensive, high-volume, low-cost industry, generating profits through increasing market share by cost leadership? For such an organisation HR policies that may be most appropriate to 'driving strategic objectives' are likely to involve treating employees as a variable input and as a cost to be minimised. This is a far cry from the employee relations philosophy embodied in the models of Beer and Spector (1985), Walton (1985), and Guest (1987).

Legge (1989) compares the 'soft' normative model of HRM with the normative models of personnel management and observes more similarities than differences.\(^5\) Both models emphasise the importance of integrating personnel/HRM policies and practices with organisational goals; both models vest personnel management/HRM firmly in line management; both emphasise the importance of individuals fully developing their abilities for

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their own personal satisfaction to make their 'best contribution' to organisational success; both models identify placing the 'right' people into the 'right' jobs as an important means of integrating personnel/HRM practice with organisational goals, including individual development.

The sharp contrasts which both Guest (1987) and Storey (1992) elicit in their comparisons of personnel management and human resource management stereotypes appear to owe much to an implicit comparison on the descriptive practice of personnel management with the normative aspirations of HRM, rather than comparing like with like - as both authors acknowledge.¹

Traditionally, personnel managers have suffered from problems of achieving credibility, recognition and status in the eyes of other management groups and employees.² This has resulted in a willingness to adopt different roles and rhetorics to suit the contingencies of the times and to exploit possible bases of power.³


The role of personnel manager has been variously referred to as the 'contracts manager',\(^1\) the 'consensus negotiator',\(^2\) and more recently, 'the regulator'.\(^3\) That this was an ambiguous source of legitimacy stemmed from two interrelated factors. First, such personnel managers were perceived as having a symbiotic relationship with the unions - the 'enemy within', and as such were not truly part of the management team.\(^4\) Second, they were regarded as performing a gatekeeping function, a barrier between trade unions and access to strategic management considerations - with the result that such personnel specialists themselves became segmented into an isolated department and excluded from strategic management decisions.\(^5\)

HRM is thus an amalgam of description, prescription, and logical deduction. It describes the beliefs and assumptions of certain leading edge practitioners. It prescribes certain priorities. And it deduces certain consequent actions which seem to follow from the series of propositions. The most fundamental of these beliefs and assumptions is the idea that, at bottom, it is the human resource among all the factors of production which really makes the difference. It is human capability and commitment which in the final analysis distinguish successful organisations from the rest. It follows logically from this premise that the human resource ought to be treated and nurtured with great care. It is a special resource requiring and deserving managerial time and attention. Moreover, the human resource ought to be nurtured as a valued asset, and not be regarded as an incidental cost. A further underlying belief is that the aim is not merely to seek compliance with rules and regulations from employees, but to strive for the much more ambitious objective of commitment.

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Competitive Advantage: Resource-Based View

A stream of strategy research has emerged that generally posits that organisational resources and capabilities that are rare, valuable, non-substitutable, and imperfectly imitable form the basis for a firm's sustained competitive advantage.¹ This "resource based view"² of organisational strategy and competitive advantage has recently engendered a great deal of theoretical and empirical efforts.³

The resource-based view suggests that human resource systems can contribute to sustained competitive advantage through facilitating the development of competencies that are firm-specific, produce complex social relationships, are embedded in a firm's history and culture, and generate

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tacit organisational knowledge.¹ The sustained superior performance of the most admired American companies has been attributed to unique capabilities for managing human resources to gain competitive advantage.² Conversely, to the extent that HR systems inhibit the mobilization of new competencies and/or destroy existing competencies, they may contribute to organisational vulnerability and competitive disadvantage.

Given the current recognition among strategic management researchers and practitioners that sustained competitive advantage arises more from a firm's internal resource endowments and resource deployments that are imperfectly imitable than from the firm's product-market position,¹ an examination of the role that the HR system plays in facilitating or inhibiting the development of such organisational competencies is warranted.

To the extent that these firm-specific resources and capabilities yield economic benefits that cannot be perfectly duplicated through competitors' actions, they may be potent sources of sustained competitive advantage.\(^1\)

**Organisational Competencies**

A firm's resources encompass all input factors - both tangible and intangible, human and nonhuman - that are owned or controlled by the firm and that enter into the production of goods and services to satisfy human wants.\(^2\) Organisational capabilities characterise the dynamic, nonfinite mechanisms that enable the firm to acquire, develop, and deploy its resources to achieve superior performance relative to other firms.\(^3\) Capabilities are dependent upon the firm's capacity to generate, exchange, and utilise the information needed to achieve desired organisational outcomes through the firm's human resources.\(^4\) Among the organisational capabilities that have


been posited as potent sources of sustainable competitive advantage are organisational culture,\textsuperscript{1} learning,\textsuperscript{2} routines,\textsuperscript{3} and entrepreneurship.\textsuperscript{4}

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Resources and capabilities have been labeled distinctive competence,\(^1\) core competence,\(^2\) firm-specific competencies,\(^3\) organisational capabilities,\(^4\) and organisational capital,\(^5\) reflecting a wide range of research objectives and theoretical perspectives. Organisational competencies describe firm-specific resources and capabilities that enable the organisation to develop, choose, and implement value-enhancing strategies. Organisational competencies include all firm-specific assets, knowledge, skills, and capabilities embedded in the organisation's structure, technology, processes, and interpersonal (and intergroup) relationships. Organisational competencies include: managerial competencies, input - based competencies, transformational competencies, and output - based competencies.

**Managerial Competencies**

Broadly conceived, managerial competencies include:

1. the unique capabilities of organisation's strategic leaders to articulate a strategic vision, communicate the vision throughout the organisation, and empower organisational members to realise that vision\(^6\), and

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(2) the unique ability to enact the beneficial firm-environment relationship.\(^1\)

Strategy researchers have argued that a firm with well-articulated strategic vision potentially will achieve sustained competitive advantage over those that lack such a vision.\(^2\)

Strategic vision provides a cognitive map\(^3\) that supplies the underlying logic for combining, deploying, and mobilising resources within the firm and among the organisation's strategic business units,\(^4\) and focuses and channels organisational competencies toward effective accomplishment of organisational goals.\(^5\) Because strategic vision is inherently tacit (it is not based on codifiable recipes of success), is specific to an organisation's unique historical context, and is socially constructed through complex interactions among the organisation's key actors, it may yield sustained competitive advantage.

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Input-Based Competencies

Input-based competencies encompass the physical resources, organisational capital resources, human resources, knowledge, skills and capabilities that enable a firm's transformational processes to create and deliver products and services that are valued by customers.1 Strategy researchers argue that achieving sustained competitive advantage depends upon the firm's ability to utilise existing stocks of resources and its ability to accumulate new resource stocks more efficiently and effectively relative to competitors.2 Input-based competencies both influence and are influenced by managerial vision,3 "shape the scope and direction of the search for knowledge,"4 and provide the proverbial grist to the organisational mill for creating and delivering value to customers.

A firm whose employees have unique abilities, knowledge and foresight to make an accurate assessment of a strategic resources rent-earning potential (long-term return on investment) may achieve superior economic benefits relative to those firms that lack such unique abilities, knowledge, or foresight.5 Internal labour markets emerge to facilitate the exchange and

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utilisation of human resources that are firm specific (human asset specificity) and that are difficult to evaluate or monitor.\textsuperscript{1} Human asset specificity refers to the unique knowledge, skills, and abilities (KSAs) learnt on the job. Because such competencies entail nontrivial replacement costs, there exists an economic rationale for their continued utilisation in current employment.

If the labour market were purely competitive such that human resources were homogeneous and freely mobile across firms, a market-determined wage rate would provide all the information needed to attract, retain, or replace human resource in the organisation. In this case, an investment in firm-specific human capital (i.e., the set of knowledge, skills and abilities that are embedded in the firm's human resource) through the firm's HR policies and practices would not be economically warranted. The incremental cost of the human capital arising from the various HR activities (e.g., recruitment and selection, performance appraisal, training, and compensation) would exceed the incremental revenue product of employees.\textsuperscript{2} Thus human resources and HR systems would conceivably not yield competitive advantage for the firm. In reality, however, firms face a demand for the supply of heterogeneous human resources, reflecting differences in the distribution of the knowledge, skills and abilities across individuals, and variances in their productive capacities.\textsuperscript{3} Firm-specific human capital is

\begin{itemize}
\end{itemize}
valuable because it potentially enhances the productive capacity of human resource,¹ it is not widely available in the external labour market,² and it cannot be readily substituted by other resources without having to incur heavy replacement costs.³

**Transformational Competencies**

Transformation-based competencies describe "organisational capabilities required to advantageously convert input into outputs."⁴ These capabilities include innovation and entrepreneurship, organisational culture, and organisational learning.

**Output-Based Competencies**

Output-based competencies include all knowledge-based, invisible strategic assets, such as corporate reputation or image, product or service quality, and customer loyalty. These competencies are interrelated; corporate reputation or image arises from a firm's dedication to creating and delivering products and services of superior quality and for which customers are willing to pay a price premium.⁵

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The rents (long-term yields) from the superior product/service quality, in turn, motivate the firm to invest in quality-enhancing systems for creating and delivering value to customers.\(^1\) Given a critical core of loyal customers (secured over time through dedication to quality offerings), the firm may continue to reap higher economic benefits for a sustained period of time. Further, these output based competencies may serve to signal efficient and effective utilization of organisational resources, making the firm attractive to prospective customers, employees, shareholders and other stakeholders who may be willing to increase their supply of resources and KSAs in expectation of higher returns on their investments.\(^2\)

Competence-Enhancing HR Systems

In addition to its traditional role of communicating top-management's strategic vision to employees and facilitating their understanding and interpretation of that vision,\(^3\) the HR management can play a key role in the articulation of strategic vision, in the formation of organisational capital, and in the enactment of beneficial firm-environment alignment.

Some of the most admired American corporations have placed human resource issues at the centre of their strategic mission and vision.\(^4\) According to Schuler (1990), the role of the HR function in these companies reflects a transformation from one that mainly serves as an "employee advocate" to one that serves as an advocate of people-related business issues at the strategic apex of the organisation. In this role, HR managers and professionals with their unique information and insight regarding human resource issues, may be effective in bringing to the surface top management's assumptions underlying the strategic planning (and human resource planning) process.\(^5\)

An organisation's HR system can be viewed as a repository of knowledge about firm-specific knowledge, skills, abilities, relationships, and the work-related values of its employees. Such knowledge, which labour economists refer to as organisational capital\(^1\) is specific to the organisation's technology, structure, and processes, is socially generated through interactions among human resource professionals and line managers, and is embedded in the firm's unique history. To the extent that such knowledge enables members of the firm to attract, develop and retain employees with competencies that surpass those of competitors, it may contribute to sustained competitive advantage.

Research on strategic selection and staffing\(^2\) suggests that organisations whose hiring practices engender a good match (or fit) between the characteristics of managers and the requirements of organisational strategy will likely achieve superior performance compared to firms whose selection practices do not emphasise manager-strategy fit.\(^3\) Correspondingly, a holistic approach to personnel selection, emphasizing the alignment of the "whole" person (rather than KSA's) and the whole organisation (rather than the requirements of a specific job) has been suggested.\(^4\) Such an approach allows for a comprehensive assessment of the organisation's work content and context, on the one hand, and the knowledge, skills, abilities, and work related values and beliefs of prospective employees, on the other.

To the extent that human resource functions, such as selection and socialisation,\(^1\) organisational staffing,\(^2\) developmental performance appraisal\(^3\), on-the-job training,\(^4\) and skill-based pay,\(^5\) constitute an investment in firm-specific human capital, they may be potent sources of sustained competitive advantage.

MacDuffie and Kochan (1991) found that firms with high levels of investment in employee training exhibited higher productivity levels compared to firms with low levels of such investments.\(^6\) Similarly, Snell and Dean's (1992) findings suggested that firms that emphasised investments in specific human capital through selective staffing, comprehensive training, developmental performance appraisal, and equitable compensation were more likely to be successful in implementing advanced manufacturing technologies and total quality management systems than firms that did not emphasize such investments.\(^7\)

A firm’s human resource system can contribute to transformation based competencies to the extent that it plays a significant role in harnessing innovation and entrepreneurship, fostering organisational learning, and promoting an innovation-based organisational culture.

HR systems may facilitate the development and utilisation of output-based organisational competencies through eliciting employee involvement and commitment to the firm, fostering idiosyncratic exchanges between the firm's internal and external stakeholders, and building a positive organisational reputation. Walton (1985) identified the salient characteristics of a commitment-based HR system that distinguish it from the control-based HR system associated with bureaucratic firms. Accordingly, an HR system characterised by among other things, broad, flexible jobs, team-based production and incentive systems, multiple career ladders, and heightened investment in human capital through training and development of employees, may engender greater commitment of organisational members.

**Competence-Destroying HR Systems**

The type of HR philosophy guiding HR policies, functions, and practices may constitute a deterrent to the development of organisational competencies. Dyer and Holder (1988) have identified three types of HR management philosophy: utilisation, facilitation, and accumulation. In contrast to facilitation and accumulation, through which organisation members take a long-term view and emphasize the attraction, development, and retention of employees with KSAs that are relevant for the organisation as a whole, 'utilisation' represents a minimalist philosophy whose proponents emphasise achieving short-term gains and operational efficiencies through HR practices, such as employee selection based on KSA-job (rather than person-organisation) fit, employment at will, individually based incentives, minimum training and development of employees, and turnover/layoff. Although such an HR philosophy may bring about employee compliance, it may fail to generate employee commitment to the organisation.

A firm’s HR system may prevent the development of input-based competencies to the extent that its recruitment and selection system results in the hiring of individuals who do not possess the requisite firm-specific KSAs, and/or the selection of individuals whose values and beliefs are incongruent with the organisation’s values and beliefs.

An HR system that focuses on standardisation of work operations through task specialisation, task formalisation, and work routinisation through job design, written rules, and standard operating procedures may inhibit the development of transformational competencies by promoting and reinforcing organisational "defensive routines". According to Argyris (1986), defensive routines (organisationally sanctioned behaviours for avoiding threats, contradictions, or surprises) are reinforced when HR managers and professionals design programmes that contain ambiguous and inconsistent messages, when these managers deny or ignore the ambiguity and inconsistency inherent in those programmes, when they make the ambiguity and inconsistency undiscussable and this "undiscussability" also undiscussable. Consequently, employees may engage in routine behaviours that perpetuate the status quo, such as the tendency for organisational members to change the justifications for poor performances rather than to improve their performance.

Additionally, Martinko and Gardner (1982) showed how HR system characteristics (such as rules, policies and procedures), performance appraisal systems, reward systems and task structure, and task difficulty can engender "learned helplessness" (the tendency for persons to become passive,

apathetic, and powerless after experiencing a series of frustrations or failures). The upshot is that such a state of motivational and performance deficit can impede or even destroy the firm's capacity to develop and utilise its core competencies.

In their efforts to gain credibility from top management and to justify the contribution of HR programmes to overall organisational effectiveness, HR managers and researchers have highly emphasized quantification of HR-related outcomes. Guided by models, such as utility analysis\(^2\) and human resource accounting,\(^3\) HR managers have focused on collecting and analysing "hard data" on employee performance in order to ascertain the economic benefits and costs associated with the attraction, development and maintenance of human resource. Even though such efforts are important, HR managers and professionals may be trapped by what Drucker (1974) referred to as a "paralysis-by-analysis" syndrome. Managers may become enmeshed

Cascio, W.F., 1982, op. cit.;
in a "numbers game", designing HR measurement systems (e.g., performance appraisals) that overemphasise individual performances without regard for systems factors.\(^1\) When quantification becomes an end in itself, managers may fail to detect threats to performance validity stemming from criterion deficiency (omitting relevant performance criteria) or criterion contamination (including and measuring irrelevant factors).\(^2\) Such fouled-up measurement systems may, in turn, generate feelings of inequity, alienation, and resentment among employees, leading to their low organisational commitment and a high amount of employee turnover.\(^3\)

Furthermore, a control-oriented approach to HR management\(^4\) which emphasises the simplification and routinisation of work, the use of rules and standard operating procedures, and the use of hierarchical authority to achieve coordination and control of operations, may contribute to the attainment of the goals of a bureaucratic organisation (e.g., stability, predictability, efficiency). These achievements notwithstanding, such an HR system also may lead to the development of core organisational rigidities,\(^5\) to what Gouldner (1954)\(^6\) referred to as "rule tropism" (or the tendency for

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employees to do things strictly "by the book"), and to de-skilling and
demoralisation of employees.\(^1\) According to Morgan (1986), mechanical
approaches (such as control-based HR strategy) may produce dysfunctional
effects, including the dehumanisation of employees, and they may cause
organisational members to pursue their own self-interests at the expense of
organisational goals.\(^2\)

Organisational competencies must be continually developed, upgraded,
and deployed in order for the firm to gain and keep a competitive advantage.\(^3\)
As previously discussed, organisational competencies may be expanded,
upgraded, and maintained through HR systems that emphasize hiring
employees for the organisation as a whole,\(^4\) extensive socialisation of newly
hired employees,\(^5\) developmental performance appraisal,\(^6\) skill-based

1. Kanter, R.M., "The New Workforce Meets the Changing Workplace: Strains,
Dilemmas, and Contradictions in Attempts to Implement Participative and
2. Ibid.
*Strategic Management Journal*, 14, 1993, pp. 33-46;
Reed, R., and DeFillippi, R., "Causal Ambiguity, Barriers to Imitation and
Sustainable Competitive Advantage," *Academy of Management Review*, 15, 1990,
pp. 88-102; and
Stalk, G., Evans, P., and Shulman, L.E., "Competing on Capabilities: The New
5. Wanous, J.P., *Organisational Entry: Recruitment, Selection, Orientation and
Appraisal*, (Reading, MA: Addison-Wesley, 1991); and
Murphy, K., and Cleveland, J.N., *Performance Appraisal: An Organisational
compensation strategy,\(^1\) and comprehensive training and development to provide new KSAs, which are needed to achieve long-run productivity.\(^2\) Conversely, organisational competencies can depreciate through, among other things, lack of value congruence between the focal employee and the organisation,\(^3\) ethically ambivalent human resource practices,\(^4\) assignment of employees to jobs with low perceived significance and meaningfulness,\(^5\) and other organisationally induced physical and emotional problems of the employees.\(^6\)

How HR activities, functions, and processes may contribute to the development and utilisation of managerial, input-based, transformational, and output-based competencies and how HR systems can destroy and/or impede the development and utilisation of such competencies have so far been discussed.

**New People Management: Issues and Challenges**

The Institute of Personnel and Development, London suggested that the following driving forces of competition affect the way in which people are organised and managed:\(^7\)

- decentralisation and devolvement of decision making;
- slimmer and flatter organisation structures;

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• total quality and lean organisation initiatives;
• fewer specialists directly employed;
• the development of a flexible workforce;
• more project-based and cross-functional initiatives and teamworking;
• empowered rather than command structures;
• greater self-management and responsibility for individuals and teams;
• openness, fairness and partnership in employment relations;
• greater need for managers to develop their interpersonal, team leadership and motivational skills when carrying out their facilitating and coordinating roles;
• pressure for everyone to become more customer orientated; and
• emphasis on continuous development to achieve competitive advantage through people.

The aim of "glocal" (think globally, act locally) organisations is to attain world class performance. This happens when what the organisation does and how it does it are as good as, if not better than the world leaders in the sector in which the organisation operates. The means by which world class performance can be achieved include:¹

Goals of Human Resource Management

The key goals of human resource management (HRM) is to enable management to enhance the individual and collective contributions of employees to the short and long-term success of the enterprise. HRM is essentially the management of people in a way that improves organisational effectiveness. It is concerned with:¹

1. creating an environment which enables management to recruit, train and motivate the people the organisation needs for today's and tomorrow's jobs;
2. the continuous development of people's potential and the creation of a climate in which all are motivated to meet the objectives of the enterprise;
3. helping the organisation to balance and adapt to the diverse interests of its stakeholders - shareholders, employees, customers, suppliers, national and local government, and the communities in which the enterprise operates;
4. the fostering of mutual interests and the encouragement of teamwork within and across the enterprise;
5. monitoring international, national, and local movements impacting on employment practices and interpreting their implications on the business strategy;
6. the management of change: at times it must take a leading role in promoting change; at other times it must provide a stabilising force; and
7. providing, directly or indirectly, a range of services to support operational processes.

Organisations are reacting to 'competition' by becoming 'customer-led', speeding up response times, emphasising quality and continuous improvement, accelerating the introduction of new technology, operating

more flexibly and 'losing cost'. The pressure has been for business to become
and clean', cutting out layer of management and supervision. They are
reducing permanent staff to a core of essential workers and increasing the
use of peripheral workers (subcontractors, temporary staff) and 'outsourcing'
work to external service providers, thus reducing employment costs and
enabling the enterprise easily to increase or reduce the numbers available for
work in response to fluctuations in the level of business activity. They
become the so-called 'flexible firms'.

Functional Areas

There is, of course, one level at which HRM is universal. All
organisations have to utilise, and hence manage human resources. Two of
the classic texts have identified four areas (employee influence, human
resource flow, reward systems, work systems, in Beer et al. 1985)\(^1\) or a five-
step cycle (selection, performance, appraisal, rewards, and development in
Fombrun et al. 1984),\(^2\) which can be used to analyse HRM in any
organisation anywhere in the world. However, HRM practices vary across
the world. One question is whether there are common trends and whether, if
such trends exist, they fit the concept of HRM as it was developed, originally,
in the USA.

Decenzo and Robbins (1997) look at HRM more specifically as a process
consisting of four functions - acquisition (getting people), development
(preparing them), motivation (activating them), and maintenance (keeping
them) - of human resources.\(^3\)

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In recent years there has been relative agreement among HRM specialists as to what constitutes the field of HRM. The model that provided the focus was developed by the American Society for Training and Development (ASTD). In its study, ASTD identified nine human resource areas: 1

1. training and development;
2. organisation and development;
3. organisation/job design;
4. human resource planning;
5. selection and staffing;
6. personnel research and human resource systems;
7. compensation/benefits;
8. employee assistance; and
9. union/labour relations.

These nine areas have been termed spokes of the HRM wheel in that each area impacts on the human resource outputs: quality of worklife, productivity, and readiness for change. 2

HRM Practitioners: Key Roles

The HRM unit of an organisation should deal effectively with everything concerning the employment and development of members, and the relationships that exist between management and the workforce. A further key role for the human resource function is to play a major part in the creation of an environment which enables people to make the best use of their capacities and to realise their potential to the benefit of both the organisation and themselves.

Human resource management practitioners can have a number of roles within the overall framework described above. The extent to which any individual personnel or human resource manager or officer will play any of

2. Ibid.
these roles will be dependent partly on the type and structure of the organisation, its culture and the environment in which it exists. Ultimately, however, what human resource specialists achieve will depend on their credibility with the top management and their colleagues. And they will be credible if they can demonstrate their expertise and competence by making a real contribution to organisational effectiveness, and by providing the managers with the people they need and any guidance or help they want in managing them.

The various roles that human resource management practitioners can play are listed below.

1. Business partners - sharing responsibility with their line management colleagues for the success of the enterprise.
2. Strategists - contributing to the development of business strategies and formulating integrated human resource strategies which support the achievement of corporate strategic plans.
3. Problem solvers - defining the nature of personnel and organisational problems, analysing the circumstances contributing to the problems, diagnosing the reasons for the problem and deciding on what course of action should be taken.
4. Innovators - assessing the needs of the organisation and devising and recommending new or revised policies and processes which will meet those needs.
5. Interventionists - understanding crucial human resource issues and pressure points on organisational processes and stepping in selectively with proposals on how to deal with them.

(6) Enablers - helping other people to do things about human resource issues rather than doing things themselves; 'empowering' line managers to take full responsibility for managing their human resources and acting as 'coaches' to help them develop the human resource management skills they need; acting as 'change agents'.

(7) Internal consultants - advising their clients (line managers) on human resource policies and practices and helping to implement new human resource management processes.

(8) Service providers - providing efficient and cost-effective services to line managers in the fields of staffing, employee development, reward, employee relations, health and safety and other employee services, and advice and help in handling employment problems, problems of discipline, grievances, redundancy and any other legal problems concerned with employment - human resource specialists have to recognise that their line management colleagues are their clients and their internal customers, and therefore require high levels of service.

(9) Consistency monitors - overseeing activities to ensure that human resource policies and procedures are implemented and administrated consistently and fairly, that the provisions of employment, and health and safety legislation are put into effect and the organisation avoids getting into difficulties on-legal matters.

(10) Guardians of the organisation's values concerning people - advising management on the values it should adopt in dealing with its employees and other stakeholders, and pointing out when existing behaviour is conflicting with those values or where proposed actions will be inconsistent with them. This role of acting as the 'conscience' of the management is perhaps the most difficult one of all to play and it is the one that human resource specialists can too easily neglect in their anxiety to be regarded as business partners.

Evaluating Human Resource Management

The potential for the human resource function to play a significant, even if indirect, role in increasing added value and achieving sustainable
competitive advantage may be considerable as discussed earlier. The efficiency and effectiveness of the human resource function need to be assessed at the strategic, managerial, and operational levels to ensure that a value-added contribution is being made and also to indicate where improvements or changes in direction are needed.

Tsui and Gomez-Mejia (1988) offer two interlinked criteria for evaluation, namely, process criteria and output criteria. The 'process criteria' refer to 'how well things are done'; and 'output criteria' reflect the impact made by the process on organisational and operational performance (the effectiveness of the end-result). This is broadly the popular distinction made by Peter Drucker (1967) between efficiency (doing things right: process) and effectiveness (doing right things: outcome). In the context of human resource management, it means determining the extent to which human resource policies, systems, procedures, programmes and practices, and also the advice and support provided by the human resource function enable line managers to achieve business objectives and meet operational requirements.

Different approaches may be adopted by organisations to evaluate human resource function. Broadly put, Guest and Peccei (1994) suggested that the effectiveness of HRM can be measured by reference to (a) organisational effectiveness, (b) specified goals, (c) specified quantified measures, (d) stakeholder perspective.

At organisational level, the evaluator can use organisational quantitative criteria (added value per employee, profit per employee, costs per employee); specific qualified employee behaviour criteria (absenteeism

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and turnover rates, frequency/severity rate of accidents) or human resource department service-level criteria (average time to fill vacancies, training hours/days per employee); achievement of specified goals (measuring achievement against agreed objectives such as, the new performance management system to be fully operational within the next six months); service level agreements (agreement between the provider of a service and the customers who use the service) assessed in terms of the nature of the function or service provided, the volumes and quality achieved for each of these services and the response times achieved by the provider when receiving requests for help.

Perhaps the most common method of evaluating the human resource function is the 'user reaction measures' and the 'employee satisfaction measures'. Assessments of the contribution of the human resource function can be made by conducting surveys of client opinion. The degree to which the employee stakeholders are satisfied with human resource policies and practices as they affect them can be measured by 'attitude surveys'.

Armstrong (1996) suggests that the attitude surveys should obtain opinions and perceptions of employees on:¹

- the extent to which they believe promotion, job evaluation, performance appraisal, grievance redressal and disciplinary processes operate fairly;
- the degree to which they are satisfied with pay and benefits;
- the extent to which they feel they are involved in decisions that affect them;
- how well they feel they are kept informed on matters of importance to them;
- the consistency with which human resource policies concerning pay, promotion, transfer are applied;
- the opportunities available to them for training and development;

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• the degree to which their work makes the best use of their skills and abilities;
• the extent to which they are clear about what is expected of them;
• the support and guidance they receive from their managers and team leaders;
• their working environment from the point of view of health and safety, and the general conditions under which they work;
• the facilities (transportation, restaurant) with which they are provided; and
• generally, the climate and management style of the organisation.

The methods of measuring human resource management effectiveness discussed above all rely on collecting and analysing internal data and opinions. But it is also desirable to ‘benchmark’ by comparing what the human resource function is doing within the organisation with what is happening elsewhere. This will involve gaining information on ‘best practice’ which, even if it is not transferable in total to the organisation conducting the survey, should at least provide information on areas for development or improvement.

With regard to the desirability of a ‘preferred approach’, it should be noted that every organisation will develop its own approach to evaluating the effectiveness of the human resource function and its members. Using ‘organisational effectiveness’ as a criterion of evaluation may not be acceptable because it may be very difficult to separate human resource function and organisational effectiveness, which will be affected by external events. Relying on ‘specified goals’ is a plausible method, if good measures of goal attainment can be used and if allowance is made for unanticipated events. Use of ‘specified quantified measures’ such as, labour costs, turnover, and productivity have high credibility but may be difficult to interpret and can be affected by non-HRM factors and are insufficient on their own. However, the ‘stakeholder perspective’ uses the subjective views of key
interest groups (executives and nonexecutives), and is probably the most satisfactory method. In this connection, it is worth quoting Guests and Peccei (1994):

The most sensible and the most important indicator of HRM effectiveness will be the judgments of key stakeholders.... The political, stakeholder, perspective on effectiveness in organisations acknowledges that it is the interpretation placed on quantified results and the attributions of credit and blame that are derived from them that matter most in judging effectiveness. In other words, at the end of the day, it is always the qualitative interpretation by those in positions of power that matter most.¹

REVIEW OF LITERATURE

The review of literature relating to the present study is given below in three broad categories: HRM - general studies, transport-specific: general studies, and transport-specific: HRM-related studies.

General Studies on HRM

The early debate about HRM was conducted largely in the absence of any data about actual practice. Data are now available, both from detailed case studies and from large-scale surveys. From an in-depth study of fifteen mainstream British employing organisations, it was found that the way in which managers were seeking to manage labour was indeed undergoing extensive and significant change.²

Roger Farrance, the then President of the Institute of Personnel Management (IPM), UK, writing the foreword to Handbook of Human Resource Management (Towers, 1992) evidently viewed HRM in a very positive light. He goes on to applaud 'decentralisation and devolution of decision-making', accountability being 'pushed-down to the lowest possible levels while hierarchies have been reduced'. In the clearest terms he observes:

Human resource management must be the route by which companies and employing organisations can come to terms with the new situation. It provides the means by which the fullest potential of employees can be developed and used for the benefit of both themselves and their employers. Good HR practice will ensure that every employee knows that they matter as individual and a human being while the employer will have the confidence that the workforce will perform to the levels needed and beyond for success in today's competitive world.¹

Lewin and Yang (1992) found that compared to executives of U.S. firms, executives of Japanese firms assigned higher priority to human resource issues in the firm, valued human resource more highly in relation to financial resources and believed that human resource policies and practices had a larger impact on firm's performance.²

Brewster and Larsen (1992) and Storey (1992) have provided strong empirical proofs of the existence and growing importance of the concept of

'integration' of HRM into the business strategy.\(^1\) Brewster and Larsen (1992) define this 'integration' as "the degree to which the HRM issues are considered as part of the formulation of the business strategy.\(^2\)

In the wake of all these developments in the field of HRM, researchers recently have attempted to study the factors/variables which can influence the HR function. In this context, studies have been conducted to investigate the influence of a number of contingent variables such as the size of the organisation (based on the number of employees), level of technology adopted, age of the organisation, presence of a formal HRM department, type of ownership, the existence of training units in HR department, and that of the environmental factors on the HRM practices and policies of organisations.\(^3\)

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2. Ibid.
Much of the research on the link between HR and firm performance has looked at single HR practices such as compensation or selection.

While HRM scholars continue to do micro-oriented research some among them have begun to investigate HRM issues from a macro level of analysis. For instance, Jackson, Schuler, and Rivero (1989) examined the relationship between organisational characteristics and personnel practices using data obtained from 267 organisations. In addition, Russell, Terborg, and Powers (1985) examined organisational training as it related to firm performance using data from 62 stores. A final example is Gerhart and Milkovich (1990) who examined the differences in managerial compensation decisions across 200 organisations, and the effect of these differences on the firm's performance.

The conceptual and empirical work relevant to the issue of creating and sustaining organisational performance and competitive advantage has

progressed far enough to suggest that the role of human resources can be crucial.¹

In contrast, other researchers have suggested that there is an identifiable set of best practices for managing employees that have universal, additive, positive effects on organisational performance.²

Although support for a universal, or best practices, approach to human resource management exists, there are notable differences across studies as to what constitutes a "best" practice. A summary of best human resource practices is given in table-1.1. Nevertheless, several themes emerge across

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Table 1.1
Summary of Best Practices in Human Resource Management

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<tr>
<td>• Broadly defined jobs</td>
<td>• Employment security</td>
<td>• Personnel selection</td>
<td>• Work teams</td>
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<tr>
<td>• Employee participation</td>
<td>• Selective recruiting</td>
<td>• Performance appraisal</td>
<td>• Problem-solving groups</td>
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<tr>
<td>• Formal dispute resolution</td>
<td>• High wages</td>
<td>• Incentive compensation</td>
<td>• Employee suggestions</td>
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<td>• Information sharing</td>
<td>• Incentive pay</td>
<td>• Job design</td>
<td>• Job rotation</td>
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<tr>
<td>• Highly skilled workers</td>
<td>• Employee ownership</td>
<td>• Grievance procedures</td>
<td>• Decentralization</td>
</tr>
<tr>
<td>• Self-managed teams</td>
<td>• Information sharing</td>
<td>• Information sharing</td>
<td>• Recruitment and hiring</td>
</tr>
<tr>
<td>• Extensive skills training</td>
<td>• Participation</td>
<td>• Attitude assessment</td>
<td>• Contingent compensation</td>
</tr>
<tr>
<td>• Extensive benefits</td>
<td>• Empowerment</td>
<td>• Labour/management participation</td>
<td>• Status differentiation</td>
</tr>
<tr>
<td>• High wages</td>
<td>• Job redesign/teams</td>
<td>• Recruiting intensity</td>
<td>• Training of new employees</td>
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<tr>
<td>• Salaried workers</td>
<td>• Training and skill development</td>
<td>• Training hours</td>
<td>• Training of experienced employee</td>
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<tr>
<td>• Stock ownership</td>
<td>• Cross-utilization</td>
<td>• Promotion criteria (seniority vs. merit)</td>
<td></td>
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<tr>
<td></td>
<td>• Cross-training</td>
<td></td>
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<tr>
<td></td>
<td>• Symbolic egalitarianism</td>
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<td></td>
<td>• Wage compression</td>
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<td></td>
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<tr>
<td></td>
<td>• Promotion from within</td>
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</table>

the studies. At their root, most of the studies focus on enhancing the skill base of employees through HR activities such as selective staffing, comprehensive training, and broad developmental efforts like job rotation and cross-utilisation. Further, the studies tend to promote empowerment, participative problems-solving, and teamwork with job redesign, group-based incentives, and a transition from hourly to salaried compensation for production workers.

Transport specific: General Studies

The importance of transportation planning was presented in the proper perspective by the Ceylonese Planning Committee (1967) which observed in its report that transport development should take place along with agricultural and industrial development. General studies on transportation planning include: Tinbergen's (1966) regional and world planning, and Robert Lane's (1974) analytical transport planning. Other important studies were also conducted by Francis (1974).

In the studies on transportation planning, metropolitan transportation planning has received wide attention. Morton (1974) explored the development and application criteria to evaluate metropolitan transportation planning.\(^1\) Stuart (1969) analysed some problems in urban transportation planning with the aid of mathematical programming.\(^2\) Hutchinson (1975) made an in depth study of urban transport strategic planning within a system framework and also estimated travel demand created by a given land and traffic arrangement.\(^3\) Lauchlin (1975) described the typical characteristics of city in regard to its transportation infrastructure.\(^4\) Marc's (1969) dissertation stressed on land-use planning from the transport viewpoint.\(^5\) Parkinson (1971) studied the transportation structure in Cardiff and evolved a master plan projecting upto 2001 A.D. and enunciated guidelines for public transportation policy.\(^6\)

Srinivasan (1970) states that the research work done in India on traffic planning techniques are inadequate, and research and development work carried out abroad cannot be applied directly to India due to different traffic and other conditions prevailing there.\(^7\) Prakasam (1975) analyses the

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problems of transport planning consequent upon rapid metropolitan development.\textsuperscript{1} Agarwal (1954) considers the problems of coordination, development and planning of transport in Uttar Pradesh.\textsuperscript{2} The National council for Applied Economic Research (1959) studied various aspects of organisation and planning of the road transport in Delhi region.\textsuperscript{3} However, it was confined to goods transport only. Srinivasan (1972) considers the administrative and financial aspects of urban transport system and suggests replanning of the routes and schedules to maximise the utility of the existing equipment.\textsuperscript{4}

Panduranga Rao (1986) highlights other transport related issues such as urban transport policy, safety on roads and commuter behaviour, organisation and management of urban transport means, and transport in metropolises.\textsuperscript{5}

**Transport-Specific: HRM-Related Studies**

In a free market economy, State Transport Undertakings no longer enjoy monopoly condition in passenger transport service. They have to operate in competition with private and clandestine operators. In this changed business scenario, Theng (1994) advocates 'reengineering' as an

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approach to achieve radical improvements in customer service and the organisation efficiency in STUs.\(^1\) Reengineering of STUs calls for rethinking, restructuring and streamlining the business structures, process, methods of working, management systems, and external relationships through which STUs can create and deliver superior value to the user-public.\(^2\) Such an approach can yield dramatic improvements in cycle times, efficiency, cost, quality, service, flexibility and capability, which in turn, should render the enhanced customer delight and loyalty, and bring increased profitability to STUs.

Panduranga Murthy (1995) highlights the significance of "customer service in bus passenger transportation" and it is the customer service which broadly and ultimately determines the diminishing or the expanding market share of passenger transport organisation.\(^3\) Bagade (1981) analysed various types of organisation and their effectiveness for passenger transport.\(^4\) Made Gowda (1998) analysed the major reasons for the poor financial performance of State Road Transport Corporations (SRTCs) in India and offered pragmatic suggestions to improve their commercial viability.\(^5\) In another study, Made Gowda (1998) identified several factors responsible for continuous losses incurred by the State Transport undertakings (STUs) such as commitment to operate even on uneconomic routes, unremunerative fare policy and absence of cost-based fare structures, inordinate delay and inadequate revision of fares, overstaffing, poor management and wide-spread in-efficiencies, excessive interest burden on funds borrowed, over emphasis

on control by rules and procedures rather than on control by objectives and results, lack of autonomy and accountability, multiplicity of authorities and agencies to whom STUs are subordinated. In light of these adverse factors, he suggests a Memorandum of Understanding (MoU) to ensure functional autonomy to the STUs, and enforce accountability upon STUs. MoU is an agreement between the administrative ministry and its enterprise which clearly specifies the mutual obligations and expectations.

In the context of mounting losses of STUs, coupled with their capital-starved condition to meet the escalating traffic demand in India, Mohinder Singh (1999) examines the issue of privatisation of STUs. He categorically dismisses the idea of privatisation as a panacea to cure all the ills of STUs, and offers alternative solutions to improve the viability of STUs, such as significant cost reduction and control through better vehicle utilisation, reduced manpower through rationalisation and training, and off loading in-house work that could be done more economically by contracting out (e.g. body building, tyre retreading, engine reconditioning, ticket printing). Furthermore, relief could be given from passenger tax and some other state dues - a better strategy than letting an STU go sick and then bailing it out.

Gopalakrishnan (1994) strongly feels that there are only two options left for STUs now - either face the competition by improving efficiency or face a natural death. Sumit Kumar Ghosh (1998) endorses the view that human resource development (HRD) has a big role to play here since a highly committed and result-oriented workforce is a critical input in a highly labour-

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2. Ibid.
4. Ibid.
intensive public service-oriented transport Industry.\(^1\) He calls for continuous development of people through various HRD instruments in STUs.\(^2\) Similarly, Sudarsanam Padam (1994) feels that human resource development in passenger road transport industry is inadequate requiring total revamping.\(^3\)

Nandan Borgalkar (1998) has carried out SWOT (strengths, weaknesses, opportunities, and threats) analysis of Maharashtra State Road Transport Corporation (MSRTC), and offered certain suggestions to convert weaknesses into strengths and threats into opportunities.\(^4\)

Purushotham (1995) examines the multiple job concept in his case study of Andhra Pradesh State Road Transport Corporation (APSRTC), and concludes that if multi-skills are introduced with minimal workforce, high productivity would be possible and expenditure on personnel cost will be minimal so that at least some of the loss making STUs could be brought into profit line.\(^5\)

Gawhane (1998) discusses the role of management and unions in STUs and warns that collective bargaining for frequent wage revision will totally

2. Ibid.
ruin STUs in view of the rising personnel cost.\textsuperscript{1} He further argues that unions should behave in a more responsible and enlightened manner and realise the fact that unions can survive and progress only when the organisation survives, grows, and excels.\textsuperscript{2}

Based on this extensive review of literature pertaining to HRM and transport-specific studies, it could be stated that no serious, authoritative and comprehensive study has, so far, been made in State transport undertakings concerning human resource management.

**NEED FOR THE PRESENT STUDY**

A public passenger road transport service organisation is expected to provide efficient, adequate, reliable, economical, and safe transport service to the commuters by effectively and efficiently managing the systems, resources, and organisation. There are two faces that a public passenger road transport organisation presents to the public, namely the vehicles (buses) and the crew. The perception of the public of how well a road transport organisation is functioning is largely determined by the general condition of the vehicles it operates and also by the behaviour of the crew, particularly the drivers and conductors.

Being a highly labour intensive service organisation, its ability to continuously improve productivity, profitability, and service excellence is determined by the cooperation, coordination, collaboration, and commitment of its workforce. More often than not, these public passenger road transport organisations tend to focus on performance criteria such as operational coverage, fleet performance, cost control, and technical and financial performance measures to the utter neglect of an effective and efficient human resource management. It is worth noting that performance failure in a labour intensive public road transport organisation may be largely due to "human failure" rather than "systems failure".

\textsuperscript{2} Ibid.
It is people - the human resource - that create organisations and make them survive, grow, and excel. It is their efforts, talents, and skills in using other non-human resources, such as machines, materials, money, technology, and time, that result in the creation of useful products and services. If this human resource is neglected or mismanaged, the organisation is unlikely to do well and, in fact, may fail.\(^1\)

Companies are beginning to reconsider the role their employees play in determining the enterprises' long-term success. A newly emerging paradigm suggests that "satisfied and motivated employees" will focus their attention and energy upon meeting more completely the requirements of their customers, thereby maximising the satisfaction of those customers. Underlying this paradigm is a belief that 'customer satisfaction' is the primary determinant of whether an enterprise meets its financial objectives; in turn, 'employee satisfaction' is regarded as a critical and necessary factor in achieving customer satisfaction.

The development of this attitude towards an organisation's human resource may be traced to the implementation of total quality management (TQM) initiatives which often provided companies with the strategic framework for confronting their competition and charting the course to improved and confirmed financial viability. As quality has come to be understood in the broader context of demonstrating a strong commitment to satisfy the requirements of a customer, the role of the employee has taken on a deeper and broader significance. That is, in this new paradigm, all employees are required to be committed to satisfying their customers. This holds true whether those customers are internal to the organisation (i.e., the next person or function to receive the output of an employee) or are external.

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customers (i.e., the ultimate end users of the good or service provided by the enterprise). In this developing paradigm, appreciation for the relationship between employee satisfaction, customer satisfaction and business results has a significant impact upon how organisations manage the relationship they have with their employees and how they understand, address, and influence employee attitudes and behaviour through formulating and implementing effective human resource management policies, systems, procedures, and programmes.

A customer-friendly road transport organisation should attract, develop, reward, maintain and motivate all its employees to pull both the internal and external customers. They must have a shared vision and commitment to sense, serve, and satisfy the needs and aspirations of the commuters beyond their expectations. To achieve this objective, the organisation must be 'big enough' to serve a vast section of the user-public and 'small enough' to ensure 'total customer delight' by continuously upgrading and innovating both 'high-tech' and 'high-touch' transportation service.

The review of earlier studies in the fields of human resource management and public passenger transport reveals that no authoritative, comprehensive and integrated study has, so far, been made in the area of human resource management of State Transport undertakings in India in general, and Karnataka State Road Transport Corporation (KSRTC) in particular. Hence, the present study titled "An Evaluation of Human Resource Management in Karnataka State Road Transport Corporation" would be both relevant and useful to examine the current trends and status of human resource management in KSRTC; to evaluate human resource systems, policies, procedures, and programmes based on benchmarked human resource management 'best practices'; and finally to recommend suggestions for strengthening human resource management in KSRTC.

OBJECTIVES

It was with a view to describing and evaluating the human resource policies, systems, procedures, programmes, and practices in Karnataka State Road Transport Corporation (KSRTC) that this study was undertaken. The main objectives of the study are:

(1) to provide an overview of the organisational structure, culture, and human resource strategies in KSRTC as a background to this study;

(2) to describe and analyse the role of key human resource management systems in KSRTC such as, human resource planning and staffing, training and development, employee rewards and benefits, employee performance appraisal, and employee relations;

(3) to audit and assess the effectiveness of key human resource management systems by comparing the current trends and status of these systems with the benchmarked ‘best practice’ in human resource management;

(4) to project the opinions and perceptions of a cross-section of employees in respect of the quality of their working life as influenced by the implementation of various human resource policies, systems, and procedures at present in KSRTC;

(5) to identify the deficiencies in the existing human resource management systems and procedures, and to raise certain implications and offer suggestions for strengthening human resource management in KSRTC based on the findings of this study.
HYPOTHESES
The following two research hypotheses have been formulated for further investigation in this study.

H1: Karnataka State Road Transport Corporation tends to neglect the role and relevance of key human resource management dimensions.
H2: The perception of overall efficacy of key human resource management practice areas tends to vary between the 'running crew' (drivers and conductors) and the 'support staff' (maintenance, and administrative and supervisory personnel) in KSRTC.

RESEARCH METHODOLOGY
This study is partly descriptive and partly diagnostic in nature. It is coordinated by using both primary and secondary data and information collected by the research scholar under the guidance of the research guide. With regard to the secondary sources, certain books and periodicals were consulted for the understanding of relevant concepts and theoretical models of human resource management in general and particularly in respect of managing human resources in transport industry. Besides these, the researcher became familiar with the current human resource management systems and procedures by referring to the annual administrative reports of KSRTC for various years, and other relevant documents and also books of rules and regulations concerning the management of human resources in KSRTC. The details of the specific references are given in the bibliography.

For generating primary data and information the researcher relied upon two techniques - an interactive human resource management audit, and employee attitude survey.

The researcher conducted a 'human resource management audit' by continuously interacting with the key executives in the departments of personnel, human resource development, and labour welfare to assess the present role and status of major human resource systems, policies, and
procedures in KSRTC. The interaction with the executives was systematically conducted using a 'human resource management audit questionnaire' consisting of twenty questions in each of the following six key areas of human resource management:

1. role of human resource department and managing people;
2. human resource planning and staffing;
3. training and development;
4. performance management;
5. appraisal and rewards; and
6. labour-management relations and organisational exit.

In total, this human resource management audit questionnaire consists of 120 questions. These questions were formulated and incorporated into the questionnaire based on an extensive review of human resource management literature and frequently benchmarked "best practices" in human resource management of successful companies. Each question appears in the form of a statement reflecting desirable human resource management practice, and the position of KSRTC in relation to this is assessed based on the consensus obtained through the aforesaid executive interaction. The assessment result in respect of each statement is shown with a tick (✓) mark in one of the appropriate 'position columns' - very true, true, partly true, not true.

In addition to the human resource management audit, the researcher also conducted an 'attitude survey' of a cross-section of employees with a view to eliciting the opinions, perceptions and beliefs held by them in respect of their organisation, superiors, work and work environment, and the existing key human resource systems and procedures. For the purpose of conducting this attitude survey, the researcher personally administered a structured, comprehensive and pretested questionnaire to 658 respondents. The respondents were chosen by employing a stratified random sampling method which ensured a fair and adequate representation of the drivers, conductors, mechanical staff, and administrative and supervisory staff working at the corporate office, divisions, and depots of KSRTC.
The attitude survey questionnaire consists of 56 questions and each question has five alternative responses, scored from 1 to 5 (reflecting most unfavourable to the most favourable response). All the 56 questions posed in the questionnaire were intended to elicit the respondent’s views and perceptions in respect of the following 18 broad areas:

1. job security;
2. working conditions and facilities;
3. employee development;
4. rewards;
5. employee performance appraisal;
6. interpersonal relations;
7. recognition and selfworth;
8. creativity;
9. employee communication, involvement and participation;
10. leadership;
11. teamwork;
12. accountability for results;
13. readiness for change;
14. welfare;
15. work experience and job involvement;
16. organisational commitment;
17. handling indiscipline; and
18. union-management relations.
The questions posed in the attitude survey questionnaire are based on an extensive review of human resource management literature. Some of the items used in the questionnaire have been modified and adapted from the most popular "index of organisational reactions".1

The data and information collected from both primary and secondary sources are coordinated and analysed in an integrated fashion throughout this thesis. The relevant data are presented in the appropriate tables, and some of the relevant and interesting data are projected in the form of charts and diagrams. Percentages, ratios, weighted averages, and chi-square tests are the general statistical tools used to analyse and interpret the statistical data presented in this thesis.

Pierce, J.L., Dunham, R.B. and Blackburn, R.S., "Social Systems Structure, Job Design and Growth Need Strength: A Test of a Congruency Model", Academy of Management Journal, 22, 1979, pp. 223-240; and
SCOPE AND LIMITATIONS

This study mainly concentrates on the description, analysis, and evaluation of human resource management policies and practices in Karnataka State Road Transport Corporation. The other aspects of managing a public passenger road transport service organisation such as financial management, fleet management, marketing management, and operations management were excluded from the scope of this study.

Though this study projects the current trends and status of human resource management and its deficiencies in Karnataka State Road Transport Corporation, it may not be a fair representation of the state of affairs in other State transport undertakings in India. As usual in such case study research, these results cannot automatically be generalised. However, a general picture in respect of managing human resources in a public passenger transport industry can be had from this study.

CHAPTER CLASSIFICATION

This study titled "An Evaluation of Human Resource Management in Karnataka State Road Transport Corporation" is presented in nine chapters as given below.

Chapter-I : "INTRODUCTION" is intended to provide a brief idea of the subject matter of the study, conceptual frame work, review of literature, need for the present study, objectives, hypotheses, research methodology, and scope and limitations of the study. Finally, it gives the layout of the thesis in the form of chapter classification.

Chapter-II : "KARNATAKA STATE ROAD TRANSPORT CORPORATION - STRUCTURE, STRATEGIES, AND CULTURE" presents an overview of the profile, organisational structure, culture and human resource strategies in KSRTC. This chapter serves as a background to this study.

Chapter-III : "HUMAN RESOURCE PLANNING AND STAFFING" is devoted to describe and analyse the existing system of
human resource planning, staffing, promotions and transfers in KSRTC.

Chapter-IV : "TRAINING AND DEVELOPMENT" highlights the trends and status of employee training and executive development in KSRTC.

Chapter-V : "EMPLOYEE REWARDS AND BENEFITS" gives a description of employee rewards and benefits package in KSRTC concerning employee compensation, incentives, retirement benefits, and awards.

Chapter-VI : "EMPLOYEE PERFORMANCE APPRAISAL" describes the performance appraisal format, raters and rating procedures, and the uses of employee performance appraisal results in KSRTC.

Chapter-VII : "EMPLOYEE RELATIONS" gives a detailed account of the union-management relations; disciplinary and grievance redressal procedures; health and safety measures; employee participation, involvement and empowerment policies; organisational exit and downsizing policies in KSRTC.

Chapter-VIII : "HUMAN RESOURCE MANAGEMENT - EVALUATION" projects the results of an interactive human resource management audit, and the opinions and perceptions of a cross-section of employees collected through an attitude survey reflecting the employees' perception of the quality of their work experience as influenced by the current human resource management policies and practices in KSRTC.

Chapter-IX : "CONCLUSION" gives a capsule summary of the observations and discussions presented in the earlier chapters. It also raises certain implications and offers suggestions based on this study for strengthening human resource management systems and procedures in KSRTC, and finally provides directions for future research in this field.