Chapter 2

REVIEW OF LITERATURE
Arguably, the single most defining feature of a company is the extent to which it recruits and utilizes human resource, especially in the current business ethos marked by liberalized economic policies and resultant transnational competition. The growth and proficiency of a company directly depends on the caliber and competence of its personnel. The realization that personnel are of paramount importance in deciding the fate and future of a company has brought human resource management to the forefront of all organizational strategies.

Even though industrial sickness is a global phenomenon, it has special implications for and negative impact on the economy of India because as an emerging economy it cannot afford to have a pessimal entrepreneurial ambience where idle capital assets lead to slackened production and consequent unemployment. Given the economic imperatives that drive us, it is essential to assess and quantify the incidence of industrial sickness on the economy.

Kerala has the largest number of public sector undertakings in India. Out of the thirty-nine PEs under the Industries Department of the State, fourteen are working with a negative net worth. An analysis of 637 large scale units show that deficiency in management is the bane of fifty-two percent cases of sickness. This underlines the importance of efficient human Resource Management for the revival and survival of the public sector units in the State. A number of studies have been conducted to analyze the performance of these units. But a study of this type which tries to answer the question ‘What is the role played by an efficient HRM system for the revival of Sick Public Sector Units in Kerala?’ is yet to be carried out. Under these circumstances, an attempt is made here to present a brief review of studies related to the above topic.

1) Rekha Murali (1st August 2012) in her article entitled “The dynamics of appreciation at work” states that people leave their jobs not because of
salary constraints but due to lack of appreciation. She also says that every company can develop an action plan for suitable reward programmes and also to celebrate the company’s successes and milestones with the employees. She concluded her article by saying that appreciation cannot be bought. It has to come voluntarily and spontaneously.

2) Tenneti (13th June 2012) in an article entitled “Building Two-way Trust” stresses the importance of two-way trust between the employer and the employee in an organization. He says that listening to employees, involving them and empowering them are significant factors in building trust. He concludes by arguing that any policy or process encouraging such aspects would go a long way in building two-way trust which is very essential for keeping smooth industrial relations within an organization.

3) Mir Mohammed Nurul Absar (2012) through an article entitled “Recruitment and Selection Practices in Manufacturing Firms in Bangladesh” tries to explore the differences and similarities between the public and private sector manufacturing firms of Bangladesh in terms of recruitment and selection practices, sources of recruitment, and selection devices. He concludes that the recruitment and selection practices of the private sector firms are significantly better than those of the public sector firms in Bangladesh.

4) Sandy Srikanth (7th December 2011) in her study of “Workplace Discipline Correct Errant Employees” explain the importance of workplace discipline in an organization. In her opinion, to encourage self-discipline among the staff, the manager should be self-disciplined in the first place. Managers should be at work on time, exemplarily discharge their duties and display self-control in their behavior. When self-discipline becomes the order of the day in the workplace, the need for external imposition of discipline will become less.
5) Dilipkumar Datta (Sept. 2011) through his article titled “Industrial Sickness, in India, Magnitude and Intensity” shows that the problem of industrial sickness has had adverse effect on Indian economy which can neither afford unemployment nor loss of production by keeping capital assets idle. He also states that during the period from 1980-81 to 2002-03, the total number of sick industrial units in India increased by about seven times. During the same period, the total amount of bank credit blocked increased by about five times.

6) Payal Chanania (8th June 2011) in his study of “Authentic Communication Includes Honest Self – Expression” says that even though so many people work together day in and day out, the sad fact is that there is little or no trust in the corporate world. He also emphasizes the need for a natural style of communication with authenticity.

7) Rajasekher, K.V (2011, June) points out that while effective communication is important in itself, better business communication is the pillar that all business and corporate relations stand on. He indicates 7Cs for better business communication namely clarity, correctness, completeness, conciseness, consideration, concreteness and courtesy. He stresses that without these skills a manager, though he may be technically proficient and highly qualified, will find himself at a professional cul-de-sac.

8) Nitya Sai Souma (May 25th 2011) in her article entitled “Empathy forms cornerstone for building good interpersonal relationships” states that productivity and job satisfaction is always depends upon the way the manager treats his employees. She also indicates that the manager should realize the fact that ‘different people react differently in different situations’. She concluded by saying that enquiring and practicing empathy is an important element of building good interpersonal relationships at the work place.
9) Payal Chanania (2011, March) through the article entitled “Know Manager’s Expectations from You to Excel at Job” states that according to a recent employee survey, one of the top ten reasons why employees suffer from workplace stress is the fact that they do not understand what their employer expects of them. Further he stresses that ignorance of employees about their boss’s expectations can kill their career.

10) Purnima Srikrishna, N (2011, March) in her study of “Continuous Learning Will Place You on Firm Growth Path” argues that whenever an employee finds his work less than exciting, it means he has outgrown his job and needs some fresh challenges to keep him engrossed. Continuous learning alone can place him firmly on the growth path. She adds that in order to enjoy excellent career prospects, we have to ensure our learning curve is always on.

11) Payal Channania (2011) through an article says that management can create a conducive environment for self-discipline through effective leadership. He concludes by stating that managerial attitude should shift to supporting and coaching, not directing or supervising closely and constantly. Only then will employees “follow and adhere to the rules and regulations not due to the fear of punishment but due to the inherent desire to harmonies in achieving organizational goals.”

12) Chandankumar Sahoo, Dr. and Santhosh kumar Tripathy, Dr. (2011) have made a study on “Building Work Place Commitment through Strategic HRM Initiatives”. They suggest that the organizations today need to change themselves by being more innovative, creative and people –oriented.

13) Hema Gopalakrishnan (2010) through an article entitled “Effective Leaders Maintain Self-control Always” says that to be an effective leader, you must first learn self control; your behavior will set an example for others and is also crucial for your own professional and personal success.
14) Jagadish Prakash, Nageshwar Rao and Mata Badal Shukla (2010) have made a study on “Administration of Public Enterprises in India”. They opine that since the adoption of the new Industrial Policy on July 24, 1991, there has been a move towards liberalization and globalization of the Indian economy with the result that the PEs are required to face several challenges. They also suggest that PEs have to improve their productivity, efficiency and competitiveness and learn to live without budgetary support.

15) Bhaskar Chatterjee (2010), Secretary, Dept. of Public Enterprises, Ministry of H & PE, in his speech at the first public sector day celebration on 10th of April 2010 stated that PEs should place special emphasis on the corporate social responsibility, talent attraction and retention so as to ensure their strong participation at a global level.

16) Rajat Kant Baisya (2010) in his publication “Winning Strategies for Business” describes a comprehensive strategy management resource that brings together all the business tools that managers need for surviving business challenges and succeeding in the dynamic economic environment of today. His book provides a holistic and contemporary lesson on strategic management by encompassing areas such as survival strategies, competitive advantage, growth, mergers, globalization, innovation and portfolio management.

17) Moid Siddiqui (2010) is of the opinion that business is not to kill the competition, but to maintain a healthy competition where there is an equal opportunity for everyone to survive and thrive. Through his book *Who Will Bell the Cat?*, the author takes the reader through the various stages of strategic management using a lively narration that parallels the fable: Bell the cat (evolve business strategy), How to bell the cat? (strategic management techniques), who will bell the Cat? (locate right people), make people capable to bell the cat (develop people’s
capabilities) and the cat is belled (align and execute). The author concludes by saying that managers must think beyond established norms.

18) James M. Hunt & Joseph R. Weittraub (2010) argue that if managers hope to move ahead they have to keep on learning. The second edition of their book ‘The Coaching Manager’ includes new materials and cases to demonstrate how developmental coaching can be integrated with goal-setting and selection to create an integral talent management process that is appropriate at all levels of organizations.

19) Suriyamurthi, S, Dr., Mahalakshmi, V, Lalitha, S (2010) state that the workplace is changing. Today’s managers are competing for skilled workers, facing high turnover and coping with technology changes that occur at warp speed. They also point out that effective managers must be less product-oriented and more people-oriented.

20) Rao, P. L, Dr. (2010) states that in the present business environment, management institutes and other training providers undertake various exercises such as case studies, management games and instruments to help participants learn more effectively. Through his book Management Games, the author provides a wide range of management games, management exercises, role plays, ice-breakers, etc.

21) Durai and Pravin (2010) states that training is significant as it helps the organization in forming growth skills and competency, effective utilization of existing human resources, improvement of customer satisfaction, enhancement of competitive advantage, enrichment of team spirit, ensuring personal growth, enabling a learning culture, establishing a positive organizational climate, encouraging better health, safety measures and enduring organizational growth and development.

22) York, Kenneth M (2010) are of the view that the purpose of training employees is to improve their individual capability. Even though
whether the training should be done is a kind of cost benefit calculation, the improvement in the employee’s job performance should be greater than the cost of training the employees.

23) Dhamodharan, V (2009) in his study of “Measuring the Skill Sets of Trained Personnel” states that the success of any training program depends upon the improvement in morale among the personnel, productivity, profit maximization and loss minimization. In his paper the author has taken up the task to evaluate the skill sets of trained personnel who have already acquired the skills from the training program.

24) Rajasekhe, K.V (2009) has made a study entitled “Integrated Rewards System Must in HR Strategy”. In the study the author emphasizes the importance of recognition and reward system in HR policy that will prove as a prime motivating factor for people to transform themselves from ordinary contributors to star performers.

25) Abdulkalam, A.P.J, Dr. (2009), the former President of India states that “India will only truly shine when it shines for one and all”.

26) Nagaraj, D.R (2009) in his study “Some Lessons in Industrial Relations” states that ‘never close the doors of negotiation’, keep it always open. There is a possibility that some new ideas could develop at a later stage to solve the problem. He advises the managerial category to be humane with their trade union leaders as also with workmen. If managers are just and factual but humane in their approach, it is possible to establish rapport and meaningful relationships.

27) Prasad, G.B.S, Dr. (2009) in his study states that the challenges to the HR professional during recession and meltdown are to keep the people ready to move in decisively when the tide turns. However, to keep the HR costs down during financial crunches, the right sizing of manpower for the current scenario will be necessary.
28) Chinmay Kumar Podder (2009) points out that attracting brains is more difficult than Foreign Direct Investment these days. Strategies are to be framed for overcoming talent shortages. He also states that a rightly managed talent turns out to be a gold mine. It is inexhaustible and priceless. It will keep supplying wealth and value to the organization.

29) Shiv Khera (2009) says that “Successful people do not do different things, they only do things differently”.

30) Goethe (2009) – “All truly wise thoughts have been thought already thousands of times; but to make them truly ours, we must think them over again honestly, till they take root in our personal experience.”

31) Sudeep, P (2009) in his study, “Relevance of Public Sector Undertakings in India” points out that the public sector still remains the biggest employer in the organized sector and has a better track record in smooth industrial relations than the private sector. Often the public sector offers avenues for people from ordinary social backgrounds to get jobs with good career prospects. So growth of public sector enterprises is most important in a country like India.

32) Lokesha.M.U. & Dr. Y.S. Siddegowda (2009) in their paper “Training and Development Practices- A comparative study of Public & Pvt. Sector Industries” state that the drastic changes in the business world require adoption of new values, modified behavior, acquisition of new skills and competencies and the attitude to run more risk. Such a transformation is possible only through effective training and development programs.

33) Prasad Rao, D.S.N.V (2009) states that there is a preformed truth in the HR philosophy that the best organizations succeed not because of the people they have but because of the right people.
34) Barrie S. Grellf (2009) states that “No one dies from working too hard. But when people do not get any recognition in their work, the stress of that lack of control can kill them.”

35) Vasanthagopal, R & Venugopalan. K.V. (2008) have made a study entitled “Nature & Causes of Disputes in Public and Private Enterprises in Kerala”. They found that there is no single cause for industrial disputes anywhere in the world and the causes of industrial disputes in India are of various categories which differ not only from state to state but also from industry to industry.

36) Swati Agrawal (2008) has made a study on “Competency Based Balanced Score Card Model: An Integrative Perspective”. This study emphasizes that human resource and HR practices are the foundation for achieving business existence in terms of ROI, market share, employee satisfaction and customer delight. The paper also explains the implementation of balanced score card by developing competencies in relation to values of the organization necessary for achieving business excellence.

37) Premasish Roy (2008) makes an attempt to understand how performance appraisal and its management are related to change in organization culture. He also identifies which factors of performance appraisal and dimensions culture are related so that the corporate executives could have better performance management to fulfill organizational goals and objectives.

38) Varadharajan,S (2008) in an article opines that many medium and large sized organizations in India use the services of external consultants to take care of their HR functions (Outsourcing of HR). He concludes by saying that one of the major advantages to organizations, which outsource their recruitment process, is that it helps to save as much as 39 percent of their recruitment costs. In addition, outsourcing enables
the human resource professionals of organizations to focus on the core and other HR and strategy issues.

39) Saha, I.K. Dr. (2008) in his study on ‘Human Resource – The Business of Business’, explains that ‘HR Dept. Can act as torch – bearer’ in assisting the operating functions in achieving targets in various areas. He also points out that HR department can act as a catalyst in generating “fire in the belly” of every employee that nothing less than the best will be acceptable.

40) Praveen Sabu & Gaurav Jaiswal (2008) through an article found that in the present era of privatization and internationalization, businesses can grow and compete only when the employee performance is at par with the best in the industry. In order to do so, corporate houses conduct training programs for their employees with a view to updating their skills and enhancing their efficiency and working performance.

41) Sujoya Sanyal and Praveen Ahmed Alam (2008) in their research “Employee Counselling: Performance Management Perspectives” opine that the need of the day is to develop managers who are equipped with skills of a competent counselor as this would not only enrich the interpersonal sensitivity and managerial capacity of the manager but also contribute to the effectiveness of the employee and ultimately the organization.

42) Chaudhari, K.K, Dr. (2007) who authored “HRM – The Road Ahead” has provided valuable guidelines on how human resource management can be used to successfully bring about required changes in the corporate world. He has emphasized that management professionals need to reduce their reliance on age old theories and models of management and should, instead, think out of the box in order to successfully respond to the changing environment.
43) Mahendru and Sharma (2006) state that a successful organization is built with its employee’s contribution, a contribution that will not be effective unless the employees are engaged [involved?] in strategy decision making and other initiatives.

44) Sumathi Annamalai (April June 2006) in her study of “Evaluation of Training Programmes: An Exploration” states that continuous learning is prerequisite for every individual and organization to survive and develop. Organizations face challenges due to technical and economic changes and hence the need to prepare themselves to adapt to these changes. These require upgrade of skills, knowledge and change in the attitude and perception of individuals and groups. She also emphasizes the importance of evaluation after every training program.

45) Seijts and Crim (2006) show how leaders can engage employees’ heads, hearts and hands. They state that leaders should actively try to identify the level of engagement in their organization, find the reasons behind the lack of full engagement, strive to eliminate those reasons, and implement behavioral strategies that will facilitate full engagement. These factors should be ongoing.

46) Elamaram Karim (2006), then Industrial Minister of Kerala argues that the challenging task for the Government of Kerala is to revive the manufacturing sector, in order to provide employment to semi-skilled and unskilled workers of the economy.

47) Sangeetha (2006) stresses that success in business is directly linked to the commitment of employees and also states that successful companies are those that recognize opportunities to foster employee engagement.

48) Planning Commission (2006) in its 11th Five Year Plan notes that “Public Sector Enterprises have made a major contribution to the economic growth of the country by creating a diversified industrial base. They have been major providers of organized sector employment.
Some of the Central Public Sector Enterprises (CPSEs) has had strong financial results over many years and recently some more have turned the corner.”

49) Misra and Pendse (2005) state that employee engagement is being increasingly seen as a determinant of productivity at the work place. While a good salary and benefits package, decent work hours and conducive work environment help drive employee satisfaction, it is only if an employee feels a special bond with the organization will he or she put in what is termed as ‘discretionary’ effort into the job.

50) Douglas, (2004) notes that money compensation and perks are not even in the top seven factors that indicate satisfaction and retention. Rather, intrinsic factors like psychological and emotional well-being are the drivers for employee contentment.

51) Pfau, Bruce N and Kay.T. (2002) say that “we can teach a squirrel to fly. But it is easier to hire the eagle”.

52) Aswathappa (2001) states that collective bargaining at the firm level is the interaction between the attitude of management to employees and unions, the attitude of employees to management, and the attitude of employees to unions that determines the quality of industrial relations.

53) Yamnill, Siriporn and McLean Gary, N. (2001) review theories and conceptual frameworks necessary to describe three factors affecting transfer of training. This information helps HRD professionals understand why people wish to change their performance after attending a training programme.

54) Srivastva (2001) through his article “Trade Union Situation in India: Views of Central Trade Union Organisations (CTUOs)” argues that the management needs to look at employee empowerment through getting the workers to take responsibility for shop – floor decisions over
quality, safety, productivity and material use as a strategic option to develop strong industrial relations.

55) Baccaro (2000) in a study suggests that for the collective bargaining to succeed government has to be supportive of centralization and organized employers need to be willing to engage in centralized wage regulation. Unfortunately, with the advent of globalization, the situation is quite different.

56) Mushra and Dhar (2000) suggest that the emerging competitive realities of the new economic order have made it imperative for organizations to build collaborative relationships between workers and managers, if they want to succeed.

57) Adams (1999) contends that there is a strong international consensus, supported by a large range of organizations cutting across political paradigms, which holds that collective bargaining should be recognized as a human right at par with fundamental rights like the right to vote and the right to free expression.

58) Philips (1997) indicates that organizations consider their training expenditure as investments on human assets. When there is investment, one wise question would be: “What is the return on investment?”

59) Ramanandham.V.V (1996) states that “PEs has been transformers of our economy. They have played an important role in the development processes and borne a heavy proportion of the burdens of national development”.

60) Thurow Lester (1992) suggests that organizations can buy skills through hiring, or they can develop skills through training and development activities. His paper focuses on strategically aligned training and development systems that advance and sustain the organization’s competitive position in its market.
61) Bureau of Public Enterprise (1990-91) states that the PEs should not only make a reasonable profit but should also be able to meet their requirements of working capital for capital expansion and also contribute surplus to the national budgetary resources. PEs is also expected to ensure that their operations yield adequate surplus not only for replacement and renewal of their assets, but also to meet the needs of expansion and growth.

62) Narayan, R (1989) in an article entitled “Performance and Development of the State Level Public Enterprises in Kerala” opined that the inefficiency of PEs in Kerala is due to labor unrest and lack of professionalism in management.

63) Singh, K.R.V (1981) has made a study entitled “The performance of public enterprises during the period 1979 – 80”. He finds out certain causes for the bad performance of public enterprises such as long gestation period, adoption of administered price policies, managerial inefficiencies accountability, role of politicians in policy making, etc.

64) Ullhas Pagey (1981) explains that most of the organizations allocate very little amount in their budget for training. The reason is that the return on training investment is very little. In his study he mentions about a quantitative approach to measure the Return On Training Investment by a cost-benefit analysis. He finds that higher the ROTI index, the more effective is the training.

65) Govt. of India Industry Policy Statement (1980) states that “the Indian industry must earmark substantial resources for Research and Development to constantly update technologies with a view to optimal utilization of scarce resources, better services to customer and achieving greater exports.”

66) Nandy (1974) in his article indicates that evaluation of training is as important as its effectiveness. He also argues that evaluation should be a continuous process.
67) Dayal (1970) in his study “Management Training in Organization” states that the effectiveness of training depends on its serving a need shared by a large number of managers in the enterprise. He also mentions that the training should be need-based; otherwise it would not serve any useful purpose and states that this is very fundamental.

68) Hanson A.H. (1954) points out that “Public enterprise without a plan can achieve something; a plan with out public enterprise is likely to remain on paper”. He also states that “whatever the ultimate perspective may be, the country anxious to develop economically has no alternative but to use public enterprise on a considerable scale, at the very least in order to get things going.”

69) Government of India, First Five year Plan, (1953) states that “The scope and need for development are so great that it is best for the public sector to develop those industries in which private enterprise is unable or unwilling to put the resources required and to run the risk involved.”

70) *Industrial Policy Statement* of Government of India (1945) points out the role of industrial development in developing economy like India. The statement points out: “Certain industries must be taken under central control in the interest of co-ordinate development. Government should play an active part in the industrial development of the country.”

71) Winston Churchill (1943) observes that “the empire of the future will be empires of mind”. He might have added that the battles of future will be battle of talents.
Review of Literature

Source


51) *www.ukgraduatecareers.net.*


69) Govt. of India. (1953). First Five Year Plan. Planning Commission, Delhi, p. 422.
