CHAPTER-I
INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

In an increasingly competitive market, survival and prosperity of business will depend critically on the ways in which an organization manages its resources, especially the human resources. Today human resources occupy, more than ever, the center stage of all economic activities. It is alarming time for all those organizations that wish to be successful in global markets to gear up and implement a desired shift in their prevailing human resource management practices and leverage their human resource along with the other resources. Also to become more flexible and innovative, organizations need to adopt new ways of attracting, retaining and motivating employees who are keen to learn and can contribute to the growth and development of the organization.

With the ushering in the new millennium, experts are of the view that the internal customer i.e. the human resources would be playing a major role in driving the 21
\textsuperscript{st} century organization. To cope with the shift in external environment business organizations have to put themselves to litmus test to check the objectivity of the prevailing human resource practices. In the present era of computerization, organizations that are planning to operate in global scenario will have to prepare their employees accordingly. An organization can flourish by chalking out well-meditated strategic implementation plan for using information technology in making the human resource function globally competitive.

1.2 HISTORY OF HUMAN RESOURCE MANAGEMENT

The modern human resource management has emerged after many stages of evolution, which is summarized in the following pages.
1.2.1 The Industrial Revolution:

Industrial revolution consisted mainly of the development of machinery, linking of power to machine and establishment of factory system and mass production. It was characterized by rapid technological change and increased specialization. As a result, the place of work shifted from residence to factory and the employer lost personal touch with his employees. Increased mechanization and specialization made jobs routine and monotonous. It became necessary to appoint a separate person who could handle labour problems.

However, labour was looked upon as a commodity that could be bought and sold. Due to the prevailed political philosophy of laissez faire, Government did little to protect the workers.

1.2.2 Trade Unionism

Workers formed unions to improve their lot. The basic philosophy underlying trade unionism was that through collective support, the management could be forced to redress their grievances. Unions used strikes, slowdowns, walkouts, picketing, boycotts and sabotage for this purpose. Trade Union management gave rise to several personnel practices, e.g., collective bargaining, grievance handling system, arbitration, disciplinary practices and employee benefit programmes.

1.2.3 Scientific management

It was a development of far reaching significance to human resource management. F.W.Taylor1 developed four principles of scientific management, such as development of a true science, scientific selection and training of workers, friendly cooperation between management and workers and development of every worker to his fullest potential.

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Scientific management movement has a great influence on management, particularly on employer employee relations. It led to professionalisation of management and human engineering. But critics of scientific management point out that focus was more on technology and not on human factor in industry.

1.2.4 Industrial Psychology

Industrial psychologists stressed matching of employee skills with jobs. Hugo Munsterberg\(^2\) contributed significantly to analysis of jobs in terms of their mental and emotional requirements and development of testing devices. Advances took place in selection, placement, testing and training.

1.2.4 Human relations movement

Hawthorne Experiments\(^3\) and subsequent research focused attention on the attitudes and feelings of workers and their influence on productivity. The role of informal groups in industry was highlighted. While scientific management viewed an organization on techno-economic system the human relations movement considered it a social system. It was suggested that inter-personal relations should be improved to realize fuller potential of individual and groups.

1.2.5 Behavioural Sciences

Research in behavioural science like anthropology, sociology and psychology has provided the subject matter for human resource management. Behavioural science era led to the development of new techniques of motivation and leadership, e.g., job enrichment, employee participation, two way communication and management by objectives. Abraham Maslow, Douglas Mcgregor, Frederick Herzberg, Rensis Likert and others made significant


contributions to the development of the behavioural science approach to the study of management.

1.2.6 Human Resource Specialist and Employee Welfare

With the dawn of welfare era, scope of human resource management increased. It is not only concerned with recruitment, selection and training of employees but also concerned with the management of employee benefit programmes and industrial relations system in industry.

1.3 GENESIS AND GROWTH OF HRM IN INDIA

In India, the origin of human resource management can be traced to the concern for welfare of factory workers during the 1920s. The Royal Commission on Labour recommended in 1931 the appointment of labour officers in order to protect the workers from the evils of jobbery and indebtedness, to check corrupt practices in recruitment and selection in Indian industry, to act as a spokesman of labour and to promote an amicable settlement between the workers and management. Welfare officer was concerned mainly with the recruitment and welfare of workers.

After independence, the factories Act, 1948 made it mandatory for factories employing 500 or more workers to appoint welfare officers. The Act also prescribed the qualifications and duties of welfare officers.

The appointment of welfare officers remained by and large symbolic, to satisfy statutory requirements. The welfare officers mainly play a policing and fire-fighting role, i.e., assisting the factory in maintaining industrial discipline. They became an appendage to the industrial system. With rising expectations, the welfare needs of the working class increased. As the trade union movement gathered momentum in the country, industrial relations became the major task.
Two professional bodies, viz., the Indian Institute of Personnel Management (IIPM), Kolkata and the National Institute of Labour Management (NILM), Mumbai were established during the 1950s. During the 1960s, the personnel function widened the welfare aspect. Three major areas of practice, viz., labour welfare, industrial relation and human resource administration emerged as the complementary parts of human resource management.

Rapid industrialization and the opening of public sector during the five year plans accelerated the growth of human resource management and professionalisation of management.

In the 1970s, concern for welfare shifted towards higher efficiency. A change in professional values of human resource managers was visible. During the 1980s due to new technology and other environmental changes, human resource development (HRD) became a major issue.

The two professional bodies IIPM and NILM were merged to form National Institute of Personnel Management (NIPM) at Kolkata. During the 1990s, the overwhelming role of human factor in industry has been realized. Growing awareness about the significance of human side of organization has led to the development of human resource management as a distinct discipline. Focus on human values and a philosophical approach, are likely to provide this discipline the status of a profession.

Thus, the human resource function in India has grown through several stages, e.g., labour welfare, industrial relations, labour administration, personnel management and finally to human resource management and human relations and human resource development. HRM has come a long way from being just a support, hygiene related function to a strategic function.
1.4 THE CHANGING ROLE OF HUMAN RESOURCE MANAGEMENT

In the early 1900s human resource management was confined to the recruitment or management of the trade unions or just administration of the wages and salaries or looking after welfare facilities or establishment functions. Human resource management embraces strategies to motivate employees to put in their best to increase efficiency and productivity in the organization.

High performing organizations differ from the low performing organizations in terms of their human resources and the way they are being managed. World-class organizations encourage active participation of their employees in the day to day management and operation by various methods. They resort to the human resource practices that are more timely and relevant as per the need of the hour. As people are central to an organization, they should be taken utmost personal as well as professional care.

Organizations that are willing to update their human resource practice to be world class organizations can benchmark their human resource practices against the practices adopted by the top-notch organizations across the globe. The most striking feature of changing Human Resource’s role appears to be its augmenting importance in the development and implementation of business strategy.

Traditionally, the line managers of a company were doing the job of balancing in terms of internal strengths and weakness with external opportunities and threats so as to maintain competitiveness. The job of human resource management was to hire and fire new workers, hire out placement firms for those hired and so on and so forth.
Presently, things are different. Strategies increasingly depend on strengthening organizational responsiveness; building committed work teams and human resource plays a significant role. In the present fast changing, transnationally competitive and quality conscious business and industrial environment, it is the human resources, which provides the competitive edge. It is getting common to involve human resource in the earliest stages of the development and implementation of company’s strategic plans.

The continuously growing importance of Human Resource in achieving competitive advantages has redesigned human resource management as strategic human resource management. The meaning of strategic human resource management is to link human resource management with strategic goals and objectives of a firm to improve business performance and develop organizational cultures that promote innovation and flexibility.

There should be clear-cut role of Human Resource activities in accomplishing the company’s mission, Human Resource management must be treated as an equal partner in the strategic planning process. For years the contribution of Human Resource was considered peripheral to the organization’s growth but in recent years there has been a shift in thinking- it has become critical factor in the success of an organization.

The old line Human Resource Management was used in the context of processing establishment work and handling the routine employment functions. Today, human resource function plays a vital role in augmenting organizational success. It is concerned with recruitment, selection, training and development, appraisal, compensation, career planning, employee benefits plans and enhancing knowledge base of employees.
1.5 SIGNIFICANCE OF HUMAN RESOURCE MANAGEMENT

The significance of human resource management is discussed at four levels - corporate, professional, social and national.

1.5.1 Significance for Enterprises:

Human resource management can help an enterprise in achieving its goals more efficiently and effectively by attracting and retaining the required talent through effective human resource planning, recruitment, selection, placement, orientation, compensation and promotion policies. It aims at developing the necessary skills and right attitudes among the employees through training and development, and performance appraisal.

By securing the willing cooperation of employees through motivation, participation and grievance handling, by utilizing effectively the available human resources and by ensuring that the enterprise will have in future a team of competent and dedicated employees. An organization can withstand any kind of competition in the market.

1.5.2 Professional Significance:

Effective management of human resource helps to improve the quality of work life. It permits team work among employees by providing a healthy working environment. It contributes to professional growth by providing maximum opportunities for personal development of each employee. It helps to maintain healthy relationships among individuals, and different work groups by allocating work properly.

1.5.3 Social Significance:

Sound human resource management has a great significance for the society. It helps to enhance the dignity of labour by providing suitable
employment that provides social and psychological satisfaction to people. It helps to maintain a balance between the jobs available and the job seekers in terms of numbers, qualifications, needs and aptitudes and by eliminating waste of human resources through conservation of physical and mental health.

**1.5.4 National significance:**

Human resource management plays a vital role in the development of a nation. The effective exploitation and utilization of a nation’s natural, physical and financial resources require an efficient and committed manpower.

The level of development in a country depends primarily on the skills, attitudes and values of its human resources. Effective management of human resources helps to speed up the process of economic growth which, in turn, leads to higher standards of living and fuller employment.

**1.6 IMPACT OF GLOBALIZATION ON HRM IN INDIA**

Globalization has wide ranging effects on different aspects of human resource management.

**1.6.1 Impact on employment:** Entry of multinationals and expansion of Indian firms since 1991 have led to increase in employment opportunities. At the same time closure of several firms which could not survive in a highly competitive market has resulted in loss of employment. The Government of India has created a National Renewal Fund to compensate workers thrown out of jobs.

**1.6.2 Impact on Human Resource Development:** Under global competition, more qualified staff is required to satisfy and delight customers. Therefore, globalization and liberalization has positive impact on HRD. Proactive and continuous learning has become necessary. Along with competency building, building of positive attitudes and values are being stressed upon.
1.6.3 Impact on compensation: Globalization has resulted in higher salaries and benefit for highly skilled and committed employees but low wages for the unskilled and indifferent.

1.6.4 Impact on Trade Unions: Initially trade unions in India resisted the policy of economic liberalization, globalization and privatization. But gradually they have accepted the realities. In some cases unions are cooperating with management to ensure the survival of their organizations which is at stake in a competitive environment.

1.6.5 Other effects: Globalization has improved professional human resource practices such as employee empowerment, quality circles, employee counseling and flexitime.

1.7 ISSUES AND CHALLENGES TO THE PROGRESS OF HRM IN INDIA

The main factors which have hindered the development and growth of HRM in India are;

The legal status of HR officers requires them to work mainly in the areas of welfare, day to day HR administration and industrial relations. Such HR officers cannot properly perform the HR function as it is a staff function as well as a line responsibility.

The attitudes of workers and line executives are not favourable towards HR officers. They view HR officers as staff executives who prevent the line managers from doing their jobs. The HR officers are not taken into confidence. In the words of Peter Drucker, “The HR manager tends to conceive his job partly as the file clerk’s job, partly as a housekeeping job, partly as a social worker’s job
and partly as a fire fighter to head off unions trouble or settle it.” HR officers with limited authority and power find it difficult to play such diverse roles.

Due to a plethora of labour laws and excessive legalistic approach to labour problems, HR officers have to spend a major portion of their time in attending to disputes and grievances. Due to their pre-occupation, they have neither the time nor the inclination for long term planning. They have become dependent on lawyers.

India’s traditions bound family management and authoritarian culture stresses profit maximization. Human resources are viewed as a cost rather than an asset. Employees are treated as adversaries not as partners or shareholders.

HR function is not looked upon as a creative service. HR function has failed to attract the most talented young person. This is due to comparatively low pay scales, sense of insecurity and lack of job satisfaction. HR officers are given low status in the organizational hierarchy.

The educational and research institutions have failed to develop professional attitudes and values required in the changing environment. Their curriculum is often outdated and inadequate for the needs of modern organizations. The urge for updating the HR staff is also lacking.

The HR officers have either served as the yes-men or have tried to improve their advice. As a result, they either foil contempt or orientation. Lack of courage to assume responsibility for decisions or to disagree has restricted their progress. They have generally served as hirers or firers. Under the Factories Act, welfare officers share many functions of line executives. As a result, line managers become hostile to these officers. Welfare officers have not won the support of line management.
The result of HR function cannot be measured in concrete terms. This inherent weakness of the job has proved frustrating for many HR executives. A large number of employers still consider the HR job as a firefighting job only to head off union troubles.

Many HR executives have an exaggerated notion of their academic qualifications and consider line managers as inferior. This has made the line managers hostile to HR function. HR executives often adopt a short-range perspective and rigid attitude.

In India, human resource development approach to HR management has not fully developed due to abundance of cheap labour, technological backwardness, lack of professional management, politicized trade unions, authoritarian culture, and traditional management system.

In recent years, there has been an encouraging trend towards the professionalisation of HR function. In some progressive organizations, HR managers are accorded the same status as marketing and production managers. Several institutions are assisting the growth of the HR function through advanced training and research activities. Human relations and organizational development roles of HR managers are being stressed to the HR function.

Government is taking steps to professionalize HR management in the public sector. A Ministry of Human Resource Development has been created at the centre. separation of ownership from management in large companies, growing professionalisation of management, increasing focus on social responsibility of business, trade union movement and welfare state have contributed in recent years to the development of human resource management.
1.8 OCCUPATIONAL STRESS

Occupational stress has become a common problem throughout the industrial world. Over the years its prevalence has increased, thus affecting the individual's mental health and well being. Occupational stress poses a threat to physical health. Work related stress in the life of organized workers, consequently, affects the health of organizations. Occupational stress can be defined as the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker.

Selye [1936] defines stress as “a dynamic activity wherein an individual is confronted with an opportunity, constraint or demand”\(^4\). According to United States National Institute of Occupational Safety and Health, (NIOSH) Cincinnati, (1999), Job stress can be defined as the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the workers’. Job stress can lead to poor health and even injury\(^5\).

According to a discussion document presented by United Kingdom Health and Safety Commission, London, (1999), “Stress is the reaction of people who show excessive pressures or other types of demand placed on them”\(^6\). On the basis of experience and research, NIOSH favors the view that working conditions play a primary role in causing Occupational stress. However, the role of individual factors is not ignored. According to the NIOSH view, exposure to

\(^5\) Wikipedia, the free encyclopedia, en.wikipedia.org/NIOSH  
\(^6\) Concept of stress – Wikibooks, open books for an open world, en.wikibooks.org/wiki/concept of stress
stressful working conditions (called Occupational stressors) can have a direct influence on workers’ safety and health.

Work plays a powerful role in people's lives and exerts an important influence on their well-being. Since 1960s, paid work has occupied an increasing proportion of most people's lives. Although employment can be an exciting challenge for many individuals, it can also be a tremendous source of stress. Consequently, work makes more and more demands on time and energy. Individuals are increasingly exposed to both the positive and negative aspects of employment.

The relationship among work, mental and physical health may also contribute to career adjustment as well as to the productivity and economic viability of companies. Three concepts are important to understand this relationship.

Stress is an interaction between individuals and any source of demand (stressor) within their environment. A stressor is the object or event that the individual perceives to be disruptive. Stress results from the perception that the demands exceed one's capacity to cope. The interpretation or appraisal of stress is considered an intermediate step in the relationship between a given stressor and the individual’s response to it. Appraisals are determined by the values, goals, individual commitment as personal resources (e.g., income, family, self-esteem) and coping strategies that employees bring to the situation.

Research has identified many organizational factors contributing to increased stress levels: (a) job insecurity; (b) shift work; (c) long work hours; (d) role conflict; (e) physical hazard exposures; and (f) interpersonal conflicts with co-workers or supervisors. Reciprocally, elevated stress levels in an organization
are associated with increased turnover, absenteeism, sickness, reduced productivity and low morale.

At a personal level, work stressors are related to depression, anxiety, general mental distress symptoms, heart disease, ulcers and chronic pain. In addition, many people are distressed by efforts to juggle work and family demands, such as caring for sick or aging parents or children. Therefore, any exploration of the relationship between work conditions and mental distress must take into account the individual factors such as sex, age, race, income, education, marital and parental status, personality and ways of coping.

To have a balanced approach to understand the work stress, it is necessary to recognize the rewards provided by the employment that are both internal (intrinsic) and external (extrinsic), (e.g., skill development, self-esteem, money, variety from domestic surroundings, social contacts, and personal identity).

Although increasing rewards of work can offset its stressful aspects, the physical environment should accommodate with the psychosocial conditions of employment. These can have deleterious effects on workers' mental and physical well-being. Reasons for stress can either be organizational (occupational) or extra-organizational (personal). The first category refers to work-related and work-place related factors. The second category refers to personal issues like the ill-health of a family member. Whatever might be the reason but the basic fact is that stress can impact with an individual's personal as well as professional life.

1.9 SYMPTOMS OF WORK-RELATED STRESS

Defining a clear link between occupational causes, and the resulting symptoms is much harder for a condition. Because many of the symptoms of stress are generalized such as increased anxiety, or irritability, it is easy for them
to be ascribed to a characteristic of the worker, rather than to a condition of the work.

Some degree of stress is a normal part of life and provides part of the stimulus to learn and grow, without having an adverse effect on health. When stress is intense, continuous or repeated, as is often the case with occupational stress, ill health can result. The experience of stress can affect the way the individuals think, feel and behave, and can also cause physiological changes. Many of the short and long term illnesses caused by stress can be accounted for by the physiological changes that take place when the body is placed under stress.

From the documented evidence, it is clear that as far as work life is concerned extreme stress is so aversive to employees that they will try to avoid it by withdrawing psychologically (through disinterest or lack of involvement in the occupation). Excessive stress can destroy the quality of life and also affect family life.

In jobs where work overload is the cause of the stress, the workers find that they have to take time off to deal with the stress, only to return to work to find that the already unmanageable workload has substantially increased in their absence, thereby increasing the source of the stress and fuelling a vicious cycle which may ultimately lead to a complete breakdown in health (Selye, 1976)\(^7\).

1.10 IMPACT OF EMPLOYEE STRESS

Both physical and psychological stressors have a tremendous impact on not only the employees' health, but also the organization's wealth. Some of the impacts of employee stress are:

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1.10.1 Absenteeism

One of the grave impacts of employee stress is absenteeism. Employees under stress do not feel motivated to work and therefore take more number of leaves citing different reasons. As more and more employees cite ill health as the reason, the cost would all be added to the organization as medical reimbursements. Employees might be absent from work to use it as a coping mechanism against stress. Frequent employee absenteeism not only costs millions to the organizations, but it also affects the overall productivity.

1.10.2 Loss of Judgement

A stressed out employee loses focus on his work. Due to this, the employee misses out vital information signals leading to ineffective decision making. Further, various research studies have proved that stress also slows down the thinking process. According to researchers, the enzyme - endorphins released under stress, slow down the ability to think and affect the ability of judgement in an individual.

1.10.3 Employee conflicts

Stress also might have an impact on the interpersonal relationships at workplace. A person under stress tends to be easily irritated leading to troubled relationships with his colleagues.

1.10.4 Workplace Accidents

Stress results in poor concentration and pre-occupation of the mind leading to workplace accidents. It is generally reported that in their drive to attain deadlines and accomplish tasks, employees tend to ignore safety rules leading to accidents.
According to a research conducted by Workers’ Occupational Health Services conclude workers under stress are thirty per cent more likely to be involved in accidents than those experiencing low levels of stress. In addition to all the above mentioned problems, organizations would also face high turnover rates of employees, high replacement costs, loss of intellectual capital and increasing grievances. Many organizations have realized the serious impacts of employee stress and have started taking steps to combat it. The responsibility of making a workplace employee friendly and healthy lies with both the employer and the employees.

1.11 MODELS AND THEORIES OF OCCUPATIONAL STRESS

The various models and theories relating to occupational stress are given in the following pages.

1.11.1 French, Caplan and Kahn’s Person – Environment Fit (PE-Fit) theory

French, Caplan, Kahn and their colleagues (French and Caplan, 1972; French et al., 1982; French and Kahn, 1962; Kahn et al., 1964) subsequently incorporated Lewin’s concepts of stress and strain in their Person – Environment Fit (PE-Fit) theory, which is widely accepted as a major conceptual framework for research on occupational stress (Chemers et al., 1985; Edwards and Cooper, 1990). In the context of this theoretical orientation, occupational stress is defined in terms of job characteristics that pose a threat to the individual resulting from a poor match between the abilities of the employee and the demands of the job (French and Caplan, 1972). The workplace stress that occurs as a result of incompatible person–environment fit produces psychological strain that may contribute to stress-related physical disorders (French et al., 1982).
1.11.2 Stress at Work Model

Cooper and Marshall’s 1976; Marshall and Cooper, 1979) Stress at Work model is similar to PE-Fit theory, but is more specific in identifying five major categories of job pressure and lack of organisational support in the workplace that contribute to occupational stress: (1) pressures intrinsic to the job; (2) the employee’s role in the organisation; (3) interpersonal relationships at work; (4) limitations in career development; and (5) organisational structure and climate.

1.11.3 Karasek’s Demand–Control Model

Karasek’s (1979) Demand–Control model focuses on interactions between the objective demands of the work environment and the decision latitude of employees in meeting these demands (Karasek and Theorell, 1990). According to this model, ‘the greatest risk to physical and mental health from stress occurs to workers facing high psychological workload demands or pressures combined with low control or decision latitude in meeting those demands’. The combination of high job demands with relatively little control contributes to lowered productivity and a greater risk of health-related problems (Theorell and Karasek, 1996). The Demand–Control model also recognizes the beneficial effects of social support from supervisors and co-workers (Karasek et al., 1982)

1.11.4 Lazarus’ Transactional Process Model

Lazarus’ (1966) Transactional Process model of psychological stress and coping conceptualizes stress as a process that involves a complex transaction between a person and her/his environment (Lazarus and Folkman, 1984). In applying this model to occupational stress, Lazarus (1991) emphasizes the distinction between sources of stress (‘stressors’) in the workplace and the emotional reactions that are evoked when a particular stressor is cognitively
appraised as threatening. Three types of appraisal mediate the effects of stressors on emotional reactions. Primary appraisal occurs when a stressor is evaluated in terms of its immediate impact on a person’s well-being. Secondary appraisal takes into account the resources of the employee for coping with the stressor. The third type, reappraisal, incorporates new information resulting from the worker’s appraisal of the effectiveness of her/his efforts to cope with a particular stressor.

1.11.5 National Institute for Occupational Safety and Health (NIOSH) Model

National Institute for Occupational Safety and Health (NIOSH) defines job stress in terms of ‘the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker’ (NIOSH, 2002). This definition of job stress, as well as the resulting model developed by NIOSH, was primarily influenced by PE-Fit theory. The NIOSH model explicitly recognizes that exposure to stressful working conditions plays a primary role in causing job stress and influencing worker safety and health, while ‘individual and other situational factors can intervene to strengthen or weaken this influence’. However, the NIOSH model gives little attention to the significant influence of the employee’s cognitive appraisal of sources of stress in the workplace.

1.11.6 Spielberger’s State–Trait Process (STP) Model

Spielberger’s State–Trait Process (STP) model of occupational stress focuses on the perceived severity and frequency of occurrence of two major categories of stressor events, job pressures and lack of support (Spielberger et al., 2002). The STP model builds on the PE-Fit and Transactional Process models by endeavoring to integrate these models with the conception of anxiety, anger and depression as emotional states and personality traits (Spielberger, 1972;
Spielberger et al., 1983; Spielberger et al., 1988). The STP model gives greater emphasis than other models to the effects of individual differences in personality traits in determining how workplace stressors are perceived and appraised.

1.12 STATEMENT OF PROBLEM

Today, the service sector is seen as a catalyst in the economic growth of a country. The recognition of the service sector, as a tool for all inclusive growth by economists, financial planners and reformists has made it an important sector in the Government’s planning for economic growth. The service sector in India is therefore witnessing tremendous changes because of political, social and economic upheavals that are taking place domestically and internationally. When the 90s saw the revamping of banking and insurance industry and setting up of a new generation private organization, the first decade of the 21st century will proceed a little further.

Now the banking and insurance has become too open and competitive. The basic focus and direction has changed from a level of moderate business to a maximum possible limit. It leads to high level of stress among the employees in general and women employees in particular. Job stress affects both men and women, although there are some gender differences in certain aspects.

The working woman in India continues to face stiff challenges and social resistance even in the 21st century. There is a gender bias against women in many industries in India. The financial demands of the Indian families are becoming fiercer by the day. The skyrocketing cost of living, increasing expenses on education of children, increasing cost of housing properties in India force every family in India to look for ways and means of increasing the household income. As a result, women in India who were mostly known as homemakers are forced
to go for jobs and take up even careers that were considered only suitable for men. The major burden of running the family is on the shoulders of women. It was alright for women to handle all the chores as long as they were homemakers. Now with their increasing need for getting some income for the family, they have to work all the more harder. If they happened to work in a highly pressurized environment, then they will experience a high level of occupational stress. This can easily be eliminated by effective human resource management policies and practices.

At this backdrop, the study of human resource management practices and occupational stress experienced by the women employees are quite important for formulating sound policies for the future. Therefore, in this study, an attempt has been made by the researcher to study the impact of human resource management practices on occupational stress in the banking and insurance sector.

The review of the literature expresses that there are very few studies on HRM practices and its outcomes, job satisfaction and none of the study of HRM practices and its effect on occupational stress of women employees in Indian banking and insurance sector. Therefore this study attempts to fulfill the above gap.

1.13 SCOPE OF THE STUDY

The scope of this study is restricted to banking and insurance sector in Tiruvarur district. The present study analyses the relationship between human resource management practices and occupational stress of the women employees in banking and insurance sector in Tiruvarur district of Tamilnadu. This study will also be helpful to a draw up a further policy on related fields and act as a secondary data for further research.
The results of the study would be very useful to the management to improve effectiveness of the human resource management practices and to reduce stress of the employees, which in turn improve performance of the organizations.

1.14 OBJECTIVES OF THE STUDY

The specific objectives of the study are;

1) To study the factors influencing occupational stress and the stressors among the employees.

2) To analyze the perceptions of the women employees about the effectiveness of human resource management practices of the study units.

3) To analyze the level of occupational stress among the women employees in the study units.

4) To study the relationship between human resource management practices and occupational stress of women employees in the sample units.

5) To offer valuable suggestions to the Indian banking and insurance sector with a view to help in shaping their Human Resource function as per the need of the hour.

1.5 HYPOTHESES

Several hypotheses were formulated keeping the content and coverage of the framed objectives. The formulated hypotheses are tested by employing appropriate statistical tools.

1. There is no significant difference the level of perception between the banks and insurance among women employees about overall human resource management practices.
2. There is no significant difference between individual demographic variables and the level of perception about overall human resource management practices of the banks and insurance branches in study area.

3. There is no correlation between overall human resource management practices and different factors of human resource management.

4. There is no significant difference in the level of occupational stress experienced by different categories of respondents.

5. There is no significant difference between individual demographic variables and the occupational stress experienced by different categories of the respondents.

6. There is no significant correlation between overall occupational stress and the different factors of stress.

7. There is no relationship between human resource management practices and occupational stress of the women employees.

1.16 METHODOLOGY

The present study has been conceptualized in order to analyze the relationship between human resource management practices and occupational stress in the select bank and insurance branches. The study has made use of survey method of research to achieve the set objectives. The study was conducted in Tiruvarur district of Tamilnadu.

1.16.1 Area of the study

The study was conducted in Tiruvarur district of Tamilnadu. Tiruvarur district is one of the 32 districts in the Tamilnadu state of India. The district occupies an area of 2161 km². It lies between Nagapattinam district on the east and Thanjavur district on the west, and is bounded by the Palk Strait on the south.
The district headquarters is Tiruvarur town. The district has a population of 1,268,094 as of 2011. It is 20.29 per cent urbanized. It has a literacy of 76.90 per cent, slightly higher than the state average.

Thiruvarur district is made up of 7 taluks namely Kudavasal, Mannargudi, Nannilam, Needamangalam, Thiruthuraipoondi, Tiruvarur and Valangaiman. Due to potential growth, more number of public and private sector banks have established their branches in this district and there is intense competition between public and private sector banks to retain existing and to attract new customers. This competition creates a considerable occupational stress among bank employees in general public sector bank employees in particular. Hence, this district is purposively selected by the researcher to analyse the occupational stress and job satisfaction experienced by the public sector employees.

1.16.2 Data Collection

In order to achieve the objectives of this research, data were collected both from the primary and secondary sources. The primary data were collected from the respondents through a structured questionnaire. The questionnaires specifically designed by Prof. Udai Pareek and Prof. T.V.Rao, well known Human Resource Development experts, have been modified to suit the sample units to study Human Resource practices. A widely used Occupational Stress Index (OSI) in the Indian context developed by Srivastava and Singh, 1981 was chosen to assess the occupational stress of the sample.

The sources of secondary data were literature available in libraries in the form of books, journals and magazines. Besides the above mentioned literature, annual reports and published and unpublished documents and web sites of the sample units were also referred to.
1.16.3 Sample Size

There are 11 public sector banks with a total of 66 branches and three branches of Life insurance corporation namely, Tiruvarur, Mannargudi and Tiruthuraipoondi are functioning in the Tiruvarur district. For the purpose of the analysis, the employees are classified as officers, clerical staff and sub staff. The branch managers and administrative officers are considered as officers, clerks and marketing officers are considered clerk and messengers, sweepers and watchmen are viewed as sub staff. In Life Insurance Corporation of India, Class-I Officers and Development Officers are classified as officers, Class III employees are considered as clerk and Class IV employees are viewed as sub staff.

As the profession of banking and insurance industry is acknowledged as stressful occupation, the population of the present study involved women employees of public sector banks and branches of Life Insurance Corporation of India in Tiruvarur district of Tamilnadu.

Among the public sector banks functioning in Tiruvarur district, Indian Overseas bank, Indian bank and State bank of India play a prominent role. Therefore, these are selected for the study. They have established 20, 19 and 18 branches respectively in the district. Ten branches of each bank are purposively selected for the study. There are 855 employees working in Indian Overseas Bank, Indian Bank and State Bank of India in the selected branches, among them 386 are women employees, of which 64 are Officers, 226 are Clerks and 96 are Sub staff. Among the selected LIC branches, there are 324 employees are working, of which 158 are women employees. Out of 158 women employees, 32 employees, 85 employees and 41 employees are Officers, Clerks and Sub staff respectively.
The sample size was calculated to guarantee a sufficient number of respondents in each branch. Thus, the following formula has been used to estimate the population sample size (The Survey System, 2007):

\[
\text{Minimum Sample Size (n)} = \frac{t^2 \times p \times (1-p)}{m^2}
\]

Where:
- \( n \) = required sample size (minimum size)
- \( t \) = Confidence level at 95% (standard value of 1.96)
- \( p \) = Estimated fractional population of subgroup, expressed as decimal (0.5 used for sample size needed)
- \( m \) = Margin of error at 5% (standard value of 0.05)

The require sample size is given below.

**SAMPLE SIZE**

<table>
<thead>
<tr>
<th>Category</th>
<th>Bank</th>
<th>Sample (42%)</th>
<th>Insurance</th>
<th>Sample (42%)</th>
<th>Total sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers,</td>
<td>64</td>
<td>27</td>
<td>32</td>
<td>13</td>
<td>40</td>
</tr>
<tr>
<td>Clerical Staff</td>
<td>226</td>
<td>95</td>
<td>85</td>
<td>36</td>
<td>131</td>
</tr>
<tr>
<td>Sub Staff.</td>
<td>96</td>
<td>40</td>
<td>41</td>
<td>17</td>
<td>57</td>
</tr>
<tr>
<td>Total</td>
<td>386</td>
<td>162</td>
<td>158</td>
<td>66</td>
<td>228</td>
</tr>
</tbody>
</table>

The require sample size is 27 women officers, 95 clerical staff and 40 sub staff for banks employees. In insurance the required sample size is 13 officers, 36 clerical staff and 17 sub staff. Thus a total of 228 employees from banks and insurance were selected as sample for the study on the basis of stratified random sampling method.

1.16.4 Statistical Analysis

The collected data and information have been carefully processed, tabulated, analyzed and interpreted in order to reach the findings. The data are
processed through SPSS (statistical package for social sciences). The statistical tools and techniques such as arithmetic mean and simple percentage were used in the study. The hypotheses framed in the study were tested using appropriate tests of significance. Chi-square test, inter correlation, t-test and ANOVA test were the statistical tools applied to test the significance.

1.17 PILOT STUDY

In this study, widely used structured questionnaires were used. So, validation of the questionnaires is not required. The researcher also has conducted a pilot study, for which the standardized questionnaires were supplied to 50 respondents and this was tested for extracting the tentative results.

The results of the pilot study indicate that there is a significant association between human resource management practice and occupational stress among working women employees in the banking and insurance industry, which induced the researcher to conduct the full fledged research on this topic.

1.18 PERIOD OF THE STUDY

The study was conducted from 2010 to 2013. During the period the data was collected from the selected branches of banks and insurance in the study area.

1.19 VARIABLE SELECTED FOR THE STUDY

The human resource management variables such as Recruitment and Selection, Training and Development, Appraisal and Reward, Promotion and Transfer, Compensation Management and Welfare Measure and Industrial Relations were selected to analyze human resource management practices of the selected for the study.

The occupational stress dimensions namely Role overload, Role ambiguity, Role conflict, Group and political pressures: Responsibility for persons, Under-participation, Powerlessness, Poor peer relationships: Intrinsic
impoverishment, Low status, strenuous working conditions and Low profitability were selected to measure the occupational stress of the sample.

1.20 LIMITATIONS OF THE STUDY

Like other empirical studies, this study is not without its limitations. The study can be strengthened by increasing the sample size as the data analysis results and findings may vary substantially when the sample size is increased or decreased. As only banking and insurance industry may not represent whole service industries in India, more industries’ involvement would create a more diffused results and findings.

In the study only public sector banks and insurance company employees were alone considered, other banks such as private sector banks and cooperative banks and private insurance companies are not taken into account.

In the study, the researcher has not developed any scale. Instead readily available structured and standardized scales are used as these are widely and universally accepted for measuring human resource management practices and occupational stress of the respondents.

Individuals’ stress susceptibility varies over time. The environment can also vary its conditions. Since stress is a complex and dynamic process presented in different areas of life, this research focuses only on the stress at work place due to occupational stress. In this study an attempt to identify basic stress management strategies is applied to banking and insurance industry’s women employees in a work situation. However, this approach restricts the findings to a specific kind of experience in the given work environment.

Lastly, in this research, the researcher has mainly focused on impact of human resource management practices on occupation stress experienced by the
working women employees in the banking and insurance companies in the study area. The impact of stress on work related behaviour of employees, such as absenteeism, loss of judgment, employee conflicts and workplace accidents is not analyzed in this study. It is directed for future research.

1.21 THESIS STRUCTURE

The result of the study is presented in six chapters.

The first chapter titled “Research design and execution of the study” brings out the background, significance of the study. Apart from these, it describes the objectives, methodology and tools employed, scope, limitations and report structure of the study.

The second chapter “Review of Literature” deals with review of existing literature in the area of human resource management practices and occupational stress. A brief description on how the present study differs in its approach is also explained in this chapter.

The main sources of occupational stress in the banking and insurance companies were described in the third chapter “Causes of occupational stress”.

Chapter four analyzes the perceptions of the women employees about the effectiveness of human resource management practices of the study units.

Chapter five measures occupational stress experienced by women employees and also the effect of human resource management practices on occupational stress in the study area were analyzed.

Chapter six summarizes the findings of the study and presents suggestions to improve effectiveness of human resource management practices to reduce the stress of women employees.