CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY

1.1. INTRODUCTION

The success of any organization depends to a large extent upon the capability, competence, efficiency, and developed human resources, who are the active agents, accumulate capital, exploit natural resources, and build social, economic and political organizations. No organization can think of viability and effectiveness without the efficient utilization of human resources. Therefore, human resource is the most important resource and is considered the backbone of every organization. Though factors such as exploration of natural resources, availability of physical and financial resources, and international aid contribute to the economic development of a country, none of these factors is more significant than the committed manpower. In fact, it may be said that all the development comes from the human mind.¹

There are great differences in development between countries which seem to have almost equal resources. As such the countries are endowed with same level of natural resources, technology, and international aid their productivity and development is mostly depends upon the availability, efficiency and committed

human resources. However, the globalization makes human resource management of the organization more challenging and it raises a number of new issues like cross-cultural training, compensation, benefits, etc.

Today, organizations operate in an environment characterized by technological changes, which in turn affect employment opportunities, skill requirement, management policies, strategies and style, expectations and aspirations of employees as well as the physical working conditions. In the industrial world, the thrust is now given to “quality” in order to foster a quality culture. Quality assumes a goal or an objective or even a priority. Some are ahead of others not only in conceiving grand ideas, but in action too. Quality work cannot be achieved easily. Besides people's issues move to the foreground and technical issues take a supporting role.\(^2\)

It is evident from history that work has occupied an important place in the life of human beings. How people have thought and felt about the working experience has also been an age old concern for both workers and managers. With the rapidly changing technological, socio-economic, political, and legal environment, effective management of human resources has become a challenging job. Effective utilization of human resources require better quality of work life by providing adequate financial compensation, good working conditions, suitable opportunities for growth and development, workers’ participation in management and by

ensuring social justice in the organization. Quality of work life creates a culture of work commitment in organizations at large, so as to ensure higher productivity and greater job satisfaction.

1.2. CONCEPT OF QUALITY OF WORK LIFE

From time immemorial there has been a focus on the quality of work life in India. This is due to the fact that the entire Indian philosophy has developed itself on the basis of improving the quality of life of people, mentioned even in the scriptures, sacred books and the epics, about the need and maintenance of quality in every one's life. Karma-Yoga is prescribed as a way of life. Karma refers to work and Karma Yoga deals with meaning of work, its implications, and the way in which it should be done. Applied in a narrow sense it can describe requisites of the highest quality in work.

Quality of work life is a generic phrase that covers a person’s feelings about every dimension, or work including economic rewards and benefits, security, working conditions, organizational and inter-personal relationships and intrinsic meaning in a person’s life. Its goals are not simply extrinsic focusing on the improvement of productivity and efficiency. The essential component of quality work life improvement is the existence of a genuine opportunity for individuals at any level in the organization to influence their working environment.

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It focuses on creating a human work environment where employees work co-operatively and contribute to organizational objectives. The indicators of quality of work life are job involvement, job satisfaction and productivity.

Different expressions have been used to denote quality of work life in different countries. To quote a few for example, in France and French speaking nations, the most common expression is 'improvement in working conditions'. In the former socialist economies, 'workers participation' is the term that was widely accepted. But in Scandinavia the central concept of quality of work life centres on 'work environment' and 'democratization of work place'. However, the English concept of 'quality of working life' is understood commonly in all industrialized countries, even if it is sometimes barely.  

The quality of work life means the sum total of values, material and non-material, attained by a worker through his life as a wage or salary earner. Sirgy, et al. defines quality of work life as employee satisfaction with a variety of needs through resources, activities and outcomes stemming from participation in the workplace”. They proposed that quality of work life be measured using seven dimensions of employees’ needs namely health and safety needs, economic and

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family needs, social needs, esteem needs, actualization needs, knowledge needs and aesthetic needs. It has generally been agreed however that quality of work life is conceptually similar to well-being of employees but differs from job satisfaction which solely represents the workplace domain.  

Quality of work life is not a unitary concept, but has been seen as incorporating a hierarchy of perspectives that not only include work-based factors such as job satisfaction, satisfaction with pay and relationships with work colleagues, but also factors that broadly reflect life satisfaction and general feelings of well-being. Quality of work life represents the overall satisfaction that is received by an employee from his work. It can also be described as the nature of work, the physical conditions, the psychological stress one experiences from the work and from other components at the work place, and the group morale where he performs, all these factors, and many more, combine to form a general perception of the quality of work life.

The quality of work life is the working conditions, responsive to needs and desires of an individual. By considering personal characters and social aspects in organizations, the quality of work life can be measured by eight indicators,

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including sufficient incentives, safety and healthy working conditions, job progress and security, competency development opportunity, social integration, democratic atmosphere, balance of work and personal life, and beneficial work for society. Cummings and Worley mentioned that the quality of work life has two meanings.\(^\text{11}\) Firstly, it means a good feeling towards work and good mental health experienced from work in terms of incentives, safety working conditions, and growth. Secondly, it means the ways that organizations use to assure the quality of work such as creating the meaning and importance of work responsibility by applying efficient teamwork management and labour relation systems. Hence, quality of work life should be considered as catalyst in improving the performance of the employee through personal development and promoting greater job satisfaction.

For promoting the quality of work life that included various management strategies such as new designs, quality control circle, and participative management are to be initiated.\(^\text{12}\)

**1.3. IMPORTANCE OF QUALITY OF WORK LIFE**

As more companies start to realize that a happy employee is a productive employee, they have started to look for ways to improve the work environment. Many have implemented various work-life programmes to help employees, including alternate work arrangements, onsite childcare, exercise facilities, relaxed

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dress codes, and more. Quality of work life programmes go beyond work or life programs by focusing attention less on employee needs outside of work and realizing that job stress and the quality of life at work is even have more direct bearing on worker satisfaction.

The quality of work life movement aims at integrating the socio- psychological needs of employees, the structure and process of the organization and the existing socio-cultural milieu. It creates a culture of work commitment in organizations and society at large so as to ensure higher productivity and greater job satisfaction. The quality of the work life has an important bearing on the total quality of the people.\(^\text{13}\) It leads to a better quality of life of the people and vice versa. Thus it has been considered as a means and at the same time and end in itself. It is an end because the quality of life can be achieved only through the quality of work life. As means the experience gained through work life helps workers to acquire excellence, high amount of civic competence and better skills which are necessary for the development of manpower.

The benefits of quality of work life had direct effects on increasing job satisfaction, creating feelings of belonging, and reducing rates of change with high productivity.\(^\text{14}\) The quality of work life affected the organization in three ways


firstly, it increases organizational productivity, secondly, it increases work spirit, encouragement and motivation of workers and, lastly, it helps to improve the potentiality of workers.  

Quality of work life programmes are desirable for both human and performance needs, because it acts a motivating factor for better working, comprehends conditions of employment, improves work environment and social integration and seeks to employ higher skills of work and to provide an environment that encourages them to improve their skills. If quality of life at work could be improved, it would benefit and reward the individual employee but also the company, its customers and society as a whole. There is no doubt that to prosper and expand at work is beneficial to both national health and the balance of payment.

1.4. EVOLUTION OF QUALITY OF WORK LIFE

The concern for quality of work life was first noticed in the early 1970s. It was seen as the latest revolution that was taking place in the relationship between men and work. Two drastic changes in this relationship have been noticed in the past. The first one resulted from the use of machine power and the second one from the explosion of information technology. The third revolution is now taking place in humanization of work. The genesis of the concern for quality of

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work life can be found in the humanistic tradition within the social sciences that try to highlight the employees’ need for meaningful and satisfying work and for participation in decisions that influence their work environment.

With the beginning of the industrial revolution in the nineteenth century, an industrial worker had to adapt himself to machines that had become increasingly independent of both human energy and human ingenuity for his operation. Technology having not yet reached a high degree of refinement, the worker still served as complement to the machine. The machine imposed on him has disturbed his rhythm and increasingly reduced the number and importance of decisions he had to make. The constraints the industrial worker had to endure is totally different from those of agricultural workers to whom technology was complement.

Towards the end of the nineteenth and the beginning of the twentieth century, the role of the workers continued to evolve. This evolution was heading towards the strict assimilation of the workers into the very operations of a machine. Although Taylor had furnished the impetus, there were a number of individuals who were bringing the movement to its maturity along with a number of dimensions. Taylor’s contemporaries had played relatively minor, though important role in bringing the movement towards its maturity by stating the dimensions of maximum specialization and repetition; minimum worker responsibility, authority and decision-making power; minimum requirement for training and development so that workers can be moved from one job to another
with minimum disruption in productive process and administrative directions and creative contributions restricted to managers and supervisory agents. The work of Taylor and Fayol had, of course, had undeniable economic advantages, however, the economic advantages have been considerably offset by increasing human problems, including boredom, under-utilization of intellectual skills, alienation, absenteeism and turn-over.

In reaction to the obvious problems caused by simple repetitive jobs, the "Human Relations School", centered in U.S attempted to draw upon the knowledge acquired through disciplines of sociology and psychology and apply it to the day-to-day industrial life. Much of their work was directed towards the refinement of scientific management by applying new insights to the evolving social industrial system not in the interests of workers, but to optimize its manipulative capacity in the interests of higher productivity and profit. This abuse of behavioural science separated the human organization of an industry from its technological organization and left scientific management virtually intact and brought the school into disrepute. The contributions of Maslow, McGregor, Herzberg and Trist were certainly of critical importance to the development of new concepts and experimental processes that would lower the antagonism of workers towards their work.

Maslow’s concept of "need hierarchy" has been given considerable importance in the world of management. This theory provides significant clues to
answer, "why well remunerated employee is not motivated to carry out his responsibility"? According to him, human needs arrange themselves in prepotency. Once the physiological needs are gratified, the higher order needs emerge and dominate the behaviours.

Building upon the work of Maslow, it became clear to Herzberg, who was greatly interested in the problems of work motivation, that the traditional methods for division of labour used only a small portion of human potential. Since each worker has many more skills to offer than those he is asked to perform, Herzberg wondered to what extent a worker could derive his motivation to work from the task itself. When lower order needs are not satisfied, the worker is likely to feel unhappy, but the satisfaction of these needs does not necessarily make him happy. A worker’s satisfaction can be increased only by motivators that satisfy order. Herzberg isolated five motivators namely, the need for achievement, recognition by others, the work itself, responsibility, and the opportunity for advancement. According to Herzberg, work organization should, therefore, seek to introduce these motivators into the work situation. This laid the foundation for well known concepts of job enlargement and job enrichment.

During the same period another group of researchers in Tavistock Institute of London focused on the integration of technical as well as human and social dimensions of industry, called socio-technical system. The concept emphasizes that the optimization of the technical production system may be undertaken
currently with the optimization of the social system, by means of job constructed to satisfy human needs adequately. The socio-technical approach fostered the idea that there appears to be a possible and desirable alternative to the modes of work organization inherited from scientific management for a given technology. There is not only one, but several possible and effective ways of organization work. Some of these offer better socio-technical combinations than others and allow for improvement in the quality of work life without sacrificing any of the organizational effectiveness of the enterprise.

The developments in Europe are best characterized by Thorsurd. The history of quality of work life over the last twenty years is an account of organizational philosophy moving from socio-technical job design to redesign of organizations as learning units and finally to inter-organizational changes, including different spheres of society, particularly enterprises, schools and public administration".¹⁷ Emery Thorsurd had carried out a study of the effectiveness of worker representative participation on company boards. The first phase of demonstration showed up problems of diffusion. Subsequent efforts were made to build networks and develop a learning system in organizations. He identified six psychological requirements of working people namely, the need for variety in the content of a job; the need for being able to learn on the job and to go on learning; the need for some minimal area of decision-making that the individual can call his

own; the need for some minimal degree of social support and recognition in the work place; the need for the individual to be able to relate what he does and what he produces to his social life; and the need to feel that the job leads to some sort of desirable future.

Therefore, from a historical perspective this concern for quality of work life in organizations can be seen as the latest and in many ways, the culmination of a string of reform movements that have been attempted during the past several decades to protect the rights and interest of workers.\(^\text{18}\) Therefore, the concept of quality of work life is very close to the concept of human resource development. Improvement in quality of work life is considered necessary not only because it contributes to organizational efficiency and to a fall in negative employee behaviour but also because justice and fair pay demand it.\(^\text{19}\)

1.5. STATEMENT OF THE PROBLEM

Globalization of the economies of the world and the consequent compulsion of facing competition both in domestic and international markets pose a serious challenge to all concerned viz. employers, employees and the government. This necessitated improving the performance of work organizations. All these demand a new work culture and a high level of motivation and

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commitment to the job and to achieve organizational goals on the part of employees. This cannot be attained unless adequate measures are taken to enhance quality of work life in work organizations.

Though the positive effect of quality of work life is already established, all parties of the organization still resist to any schemes or procedure to improve quality of work life. The management may feel that the quality of work life at the present level is satisfactory enough and no steps need be taken to improve it. They fail to measure the impact of improved quality of work life on the psyche of the employee, though all employees basically aspire for satisfaction of employees. Employees on the other hand resist to changes with a preconceived notion that any scheme, the management takes up would be to increase production without extra cost.

A general scanning of Indian organization shows that most of them, relying heavily on western philosophy, get involved too soon with group psychology without getting to know in full measure the human psyche. Such an approach leaves little scope for the consolidation of value-based systems. Many managers have a notion that meeting the deadline by hook or by crook can generate a favourable climate in terms of improved productivity in an organization. Most organizations still believe that the manager’s role is to get the work done through others, little realizing that with the increase in the level of workers’ skills through better educational opportunities; greater emphasis has to be given to
managing peoples’ talents. The new workforce with more knowledge, greater chances for social transformation and better economic standards, is fast emerging as a highly demanding body.

The pressures in the free economy, the breakdown of trade barriers and globalization are making enormous demands on today's organizations to compete in every domain. The performance naturally tops out of all the critical items in the Indian industries and, therefore, it becomes imperative to understand how the job performance is influenced by the various factors. To improve the quality of work life and eliminate job stress, employers can also make efforts to be more aware of the workload and job demands. Employers need to examine employee’s training, communication, reward systems, co-worker relationships, and work environment. Employers often are able to give employees the best advice on reducing work stress.

With increasing competition, quality of people and their overall appreciation of the fit between people’s contribution and the organization's objectives are fast becoming crucial. Moreover, the changing scenario, marked by uncertainty, has given rise to high expectations and higher performance standards from people and organizations alike. Therefore, the challenges of globalization, technological advance, increasing competition and growth through expansion, diversification, and acquisition have important implications for quality of work life of employees.
There are a great number of common elements between the employee list and the employer list. To attract and retain employees, companies need to be exploiting those points of convergence and continuously work with employees to redesign the work, eliminate job stress, increase job autonomy, provide learning and training opportunities, and improve the quality of work life. To handle such problems, quality of work life of employees is required. Keeping this as the foremost objective, this thesis attempts to make a micro study of the Salem Steel Plant, a central public sector undertaking. The results of the present study will contribute to a better understanding of the importance of quality of work life to match the changing environmental demands and employee needs so as to enhance employees’ commitment and improve the internal climate of the firm.

1.6. MAJOR OBJECTIVE OF THE STUDY

The main objective of this study is to examine the perception of the employees towards quality of work life of employees in Salem Steel Plant. Besides, the study has the following secondary objectives:

SECONDARY OBJECTIVES OF THE STUDY

1. To study the need and importance of quality of work life of employees in general.

2. To review the quality of work life practices of the Salem Steel Plant, Salem.
3. To study the perception of the employees towards quality of work life practices of the Salem Steel Plant, Salem.

4. To suggest appropriate measures to improve the quality of work life of employees based on the findings of the present study.

1.7. OPERATIONAL DEFINITIONS OF CONCEPTS

Employees

Employees are people working in the Salem Steel Plant either on permanent or temporary basis. They include executives and non-executives.

Employees’ Satisfaction

Satisfaction denotes a set of attitudes about a particular thing. Thus, the term “satisfaction” for the purpose of this study connotes the attitude of the employees of Salem Steel Plant towards quality of work life.

Attitude

Attitude refers to the feelings, beliefs and opinions of the employees on the quality of work life practices of the Salem Steel Plant.

Quality of Work Life

The term quality of work life refers to values and attitudes contained in working life of any employee of the Salem Steel Plant.
**Working Conditions**

Working condition refers to the safe working environment and equipment for health that doesn’t pose any danger for working, including appropriate arrangement of the working place, tools and devices, temperature, light and sound.

**Opportunity for Growth and Development**

It refers to an opportunity to improve various skills of the employees in the Salem Steel Plant. The employees have more chances to use their own working knowledge and skills.

**Social Integration of Work**

Social integration refers to freedom from prejudice based on skills, abilities, and potentials of a person without having discrimination.

**Constitutionalism**

Constitutionalism refers to personal right, freedom to express, right to express one’s opinion about working policies, equality, and respect for being human, equal chances, both in work and in privacy, for everyone in Salem Steel Plant.

**Work and Total Life Space**

Total life space refers to the relation between the time spending at work and the time spending for personal matters. In another word, it’s the balance between life and work of employees of Salem Steel Plant.
Occupational Stress

Occupational stress is a mental or physical tension or both, emerged from related occupation and its environment. For the present study, it is defined as a person’s response to some threatening or disturbing stimuli emerged from the occupation.

Social Relevance

Social relevance refers to a creative and useful awareness of one performance towards the society.

1.8. TESTING OF HYPOTHESES

The present study is based on the formulation of the following null hypotheses:

H₀: There is no significant association in the satisfaction levels of the employees belonging to different demographic profiles towards quality of work life of employees in Salem Steel Plant.

1.9. SCOPE OF THE STUDY

The scope of the study was to evaluate the quality of work life of employees in Salem Steel Plant, Salem. Therefore, this study is restricted to Salem Steel Plant only. Quality of work life is a vast subject consisting number of dimensions. In the present study, the most common nine variables that influence
the quality of work life of employees such as competence development, career growth, team work, mutual trust & motivation, belongingness, work environment, communication, accomplishment and welfare only were studied.

1.10. SAMPLING DESIGN

This study was confined to employees of Salem Steel Plant, Salem. Therefore, the employees working in this organization are considered as total population and they are about 1314 as on 31.12.2010. For this study, the employees are categorized into executives and non-executives. By adopting the stratified random sampling technique, 460 respondents i.e. 35% of the population from each stratum were selected by using Tippet’s random number table. The following table shows the sampling distribution of the present study.

<table>
<thead>
<tr>
<th>Employees’ Category</th>
<th>No. of Employees</th>
<th>Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>357</td>
<td>125</td>
</tr>
<tr>
<td>Non-executives</td>
<td>957</td>
<td>335</td>
</tr>
<tr>
<td>Total</td>
<td>1314</td>
<td>460</td>
</tr>
</tbody>
</table>

1.11. TOOLS FOR DATA COLLECTION

This study is empirical in nature based on survey method. The first-hand information for this study was collected from the human resource department of
the Salem Steel Plant. As an essential part of the study, the primary data was collected from 460 employees. A pilot study was conducted with 25 employees. In the light of the experience gained from the pilot study, few changes were incorporated in the revised questionnaire. Questionnaire method was employed to collect the primary data. The secondary data were collected mainly from journals, reports, books, and records of the company. The more relevant secondary sources of information were collected from the Indian Institute of Management, Bangalore; Documentation Centre, Indian Council of Social Science Research, New Delhi; and School of Economics, Delhi University, New Delhi.

1.12. FRAMEWORK OF ANALYSIS

The ultimate object of the study is to examine the quality of work life of employees in Salem Steel Plant. In order to study the attitude of the employees, chi-square test, factor analysis, multiple discriminant function analysis, multiple regression analysis and percentage analysis were employed. The chi-square test was employed to measure the association between the satisfaction levels of the respondents belonging to different demographic variables and the quality of work life of employees in Salem Steel Plant. The factor analysis is applied to find out the underlying dimensions in the set of statements relating to the perception of the respondents towards quality of work life practices of the Salem Steel Plant. Multiple discriminant function analysis was used to study how different factors of quality of work life of employees discriminated among the employees working in different
places of work in Salem Steel Plant. Multiple regression analysis was used to measure
the effect of the personal variables towards the impact of quality of work life.
To arrive at possible solutions, percentage analyses were also employed in this study.

1.13. LIMITATIONS OF THE STUDY

The present study is concerned with employees’ perception towards quality
of work life, rather than how it is reported by the top management of the company.
The study has the following limitations:

1. In any study having a bearing on attitude, incomplete, wrong information and
non-responses to some questions could not be avoided. However, considerable
care was exercised in making the study as objective and systematic as possible.

2. The study has the limitation of time and resources, usually faced by the
researcher. Only 460 employees from one steel plant have been selected and
studied. Hence, the conclusion drawn is specific and cannot be generalized.

1.14. SCHEME OF THE REPORT

The thesis has been arranged in five chapters.

The first chapter, “Introduction and Design of the Study” presents the
introduction, concept of quality of work life, importance of quality of work life,
evolution of quality of work life, statement of the problem, objectives of the study,
testing of hypothesis, scope of the study, sampling design, tools for data collection,
framework of analysis, limitations of the study, and scheme of the report.
The second chapter, “Review of Literature” presents the previous studies related to the objectives of the present study.

The third chapter, “Quality of Work Life Practices of the Salem Steel Plant” elaborates on the established quality of work life practices of the Salem Steel Plant.

The fourth chapter “Perception of the Employees towards Quality of Work Life” furnishes the profile of the sample employees and highlights their perception towards quality of work life in Salem Steel Plant.

The final chapter “Summary of Findings, Suggestions and Conclusion”, presents the summary of the findings of the present study and offers various suggestions for improving the quality of work life of employees in Salem Steel Plant.