Chapter - II

DESIGN OF THE STUDY, CONCEPTS AND REVIEW OF LITERATURE
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In this chapter the researcher has explained the plan of his research study, various concepts and the review of previous literature.

2.1 Statement of the problem

Man is at the centre of any organization and he is at the centre of its resources. The importance of human resources is increasingly being recognized over a long period of time. The success of any organization largely depends upon its HRD practices and their effectiveness. An effective HRD system brings higher productivity, higher individual contribution to the organization resulting in higher profits and better organizational health. Since HRD practices are very important for not only the development of any organization but also for a congenial situation and favourable relationship among different categories of workforce, the researcher is interested in undertaking an intensive study in this area. Hence he has chosen the topic, "A STUDY ON HRD PRACTICES IN TAMIL NADU STATE TRANSPORT CORPORATION, Nagercoil".

2.1.2 Objectives of the study

1. To study the socio-demographic characteristics of the respondents.
2. To study the various components of HRD practices in TNSTC, Nagercoil, namely training, induction training, performance appraisal, HR development, HRD climate, organizational policy, labour welfare, HRD climate in industrial relations, counselling and career development, HRD department, Job nature, inter-personal relations, rewards and benefits.

3. To find out the level of HRD effectiveness,

4. To study the association between the selected socio-demographic variables and the various components of HRD practices,

5. To suggest means for improving HRD practices, if necessary.

2.1.3 Hypotheses of the study

1. There is no significant difference in overall HRD practices of an organization in relation to the marital status of respondents,

2. There is no significant difference among various designations of the respondents with regard to overall HRD practices,

3. There is no significant difference in experience levels of respondents with regard to the overall HRD practices of an organization,

4. There is no significant difference among various educational qualifications of the respondents with regard to overall HRD practices,
5. There is no significant association between the age of respondents and overall HRD practices.

6. There is no significant association between monthly income of the respondents and their overall HRD practices.

7. There is no significant association between the gender of the respondents and overall HRD practices.

2.1.4 Choice of the Study Area

The investigator has selected Tamil Nadu State Transport Corporation, Nagercoil, to analyse the HRD practices. In the district of Kanyakumari there are only a limited number of business enterprises, and the few enterprises that exist in the district have only a small number of employees. The literacy level in the district is higher than that of other districts in the State. Unemployment is the main problem in this district. The biggest enterprise existing in this district is TNSTC, Nagercoil, in which around 5000 employees are working. The employee's development is more important for the development of the organization and also of the society. So the researcher is interested in studying the HRD practices practised by the management of TNSTC, Nagercoil, for its employees' development.
2.1.5 Pilot Study

The pilot study was conducted by the researcher with the following objectives.

i  To examine the general scope for conducting the study.

ii  To examine the feasibility of the area selected.

iii  To ascertain the co-operation of respondents in getting the detailed information pertaining to the research report.

iv  To find out and fix the sample size in order to obtain information.

v  To fix the method of data collection which would be effective for investigation.

2.1.6 Construction of Instrument

The researcher has constructed the instrument of Questionnaire for data collection in consultation with his supervisor. Variables to be studied have been identified by the researcher by going through various literature connected with the topic of study. The questionnaire consists of questions both on socio-demographic factors and HRD practices in the form of statements based on the factors of training, induction training, performance appraisal, HR development, HRD climate, organizational policy, labour welfare, HRD climate in industrial relations, counselling
and career development, HRD department, inter-personal relations, rewards and benefits, job nature and other HRD practices.

Likert scale is used to measure the attitudinal opinion of respondents towards HRD practices. A five-point scale is used by the researcher to study the various dimensions of the respondent’s opinion with the score value like almost always true 5, mostly true 4, sometimes true 3, rarely true 2, and not at all true 1.

2.1.7 Pre-test

The researcher has conducted pre-test of the questionnaire with a view to testing the relevance, effectiveness and applicability of the questions in the questionnaire. The questionnaire is finalized after the result of the pre-test and the removal of unstructured and ambiguous questions in the questionnaire.

2.1.8 Sampling Design

The study is an empirical are based on survey method. It is based on the primary and secondary data. Primary data have been collected at random sampling among all categories of employees, such as drivers, conductors, technicians, administrative officers, technical supervisors, training supervisors and contingency employees. Tamil Nadu State Transport Corporation, Nagercoil, has a large workforce of 4768. It is difficult for the researcher to collect information from all the employees.
in TNSTC, Nagercoil, so thousand (1000) samples are taken from among all employees through its ten branches.

2.1.9 Sources and Method of Data Collection

Primary data had been collected from all the selected employees. The questionnaire was distributed to all the thousand samples, and the nature of the study and all other matters pertaining to the questions in the questionnaire were explained by the researcher to the respondents in detail. Apart from the questionnaire, information was collected from the respondents by personal interviews, discussions, formal talks and observations. Secondary data were collected from documents, files, manuals, records and annual reports of TNSTC, Nagercoil.

2.1.10 Data Processing, Analysis and Interpretation

The filled-up questionnaire was examined, checked thoroughly and edited to make the data complete for further processing. For proper arrangement of data, a master table was prepared. It contained all information and was prepared by assigning code numbers to each. With the help of the master table, the data from the filled up questionnaire have been transcribed on transcription cards for further processing. After completing the transcription, classification tables were prepared for further analysis. The analysis and interpretations were made on the basis of the objectives of the study.
2.1.11 Statistical Tools Used

In this study, the researcher has used several statistical tools like classification, tabulation, frequency distribution, percentages, Z-test, one way variance analysis test, chi-square test, karl pearson co-efficient correlation and factor analysis with the help of SPSS for analysis of the collected data. The aim for using the above said tools were to study and to find out the significances between variables and also HRD effectiveness through its components.

2.1.12 Period of Study.

The study covers the period of three years from April 2001 to April 2004. Data relating to these three years were collected from the sample unit of TNSTC, Nagercoil.

2.1.13 Limitations of the study

The research inferences are drawn from the employees responses only.

The corporation is too large to be taken up for the study in full.

2.2 Concepts

The following are the important concepts used by the researcher in this study.
2.2.1 Human Resource Development

Human resource development means employee or worker development in the process of encouraging employees or workers to acquire new skills and knowledge through various training programmes. The aim is to develop competence of employees or workers which will contribute to achieving the objectives of the organization.

2.2.2 Human Resources

Human resources are employees of an organization, that employees are a resource that must be harnessed and managed effectively alongside the other resources used by the organization such as capital, assets, raw materials and energy.

2.2.3 Performance Appraisal

Performance appraisal is the process of evaluating the performance and assessing the employees abilities related to their jobs.

2.2.4 Career

The series of jobs that a person has throughout his or her working life actuate progress of employees in the organization.

2.2.5 Training

Training is the process of changing the skills, attitudes, and knowledge of employees with the purpose of improving their level of competence.
2.2.6 Induction

Induction is the formal process of acclimatizing a newcomer to an organization. Typically, it involves an introduction to the organization by senior officers.

2.2.7 Reward

Reward means the benefits which employees receive in return for working on behalf of an employing organization.

2.2.8 HRD climate

HRD climate is an atmosphere of the organization in which efforts are taken by the management to consider the human dignities and provide changes to its employees for their development.

2.2.9 Counselling

Counselling is the provision of supportive and confidential advice to employees to help them overcome problems and cope with strain, stress and other problems connected with the work.

2.2.10 Welfare

Welfare means any statutory or non-statutory measures taken by the management for the worker development.
2.2.11 Factor Analysis

In a multi-variate analysis technique, an advanced form of correlation analysis is applied to find out the relationships between variables.

2.2.12 Factor Loading

Factor loading is the correlation between a factor and a variable. It helps interpret the meaning of a factor by indicating how well the factor fits the standardized responses to a statement.

2.2.13 Outsourcing

Outsourcing is the process of having certain tasks and operations in the organization performed by other business organizations in accordance with a set of terms and conditions.

2.2.14 Industrial Relations Climate

Industrial relations climate is an atmosphere of the relationship that exists between workers and management through workers union.

2.2.15 Quality Circle

Quality circle means groups of volunteers meeting on a regular basis encouraged by the organization to devise ways of improving the product, process or service.
2.2.16 Job Enrichment

Job enrichment means the design of a job to provide a worker with greater responsibility, more autonomy in assuming that responsibility, closure (a complete job) and more timely feedback about his performance.

2.2.17 Job Rotation

Job rotation means that employees within a particular work area have the ability to perform a variety of tasks and will move from one to another. It might require them to undertake tasks of various skills.

2.2.18 Psychological Climate

Psychological climate means an environment in which worker can freely talk and discuss his or her problems with colleagues and superiors.

2.2.19 Multi-Skill Training

Multi-skill training is a type of training given to employees with the purpose of training them to take up any job in the organization.

2.2.20 Skill

Skill means the ability of the employee to perform his job due to its requirements.
2.3 Review of Literature

A review of the previous studies on Human Resource Development Practices is necessary to know the areas already covered. Such a review helps find out the areas hitherto unexplored and to study them in depth. The earlier studies made on human resources development are briefly reviewed here. Many authors have dealt extensively with the subject of human factor and its development in organizations. To face the changes and challenges of the technological and scientific applications, human resources development is highly necessary because all the mechanical functions are primarily and advancedly manned by human beings. The success of any organization in the long run depends very much on the quality of its human resources.

Rao T.V., Raju Rao and Taru Yadav in their research article, “A Study of HRD Concepts, Structure of HRD Departments and HRD Practices in India, state that “a number of human resources development frameworks have come into existence in the last ten years from various parts of the world. Indian organizations have begun to use those frames for improving their HRD systems. Data from HRD audits of twelve Indian organizations have indicated that HRD function is not well structured and it fails to meet the requirements of the frameworks. Regarding the implementation of HRD frameworks in Indian organizations, Rao T.V. suggests the strategic HR framework approach to enable an organization to achieve its goals and offers specific tools and path to identify how a firm can leverage its HR practices. This approach has three important elements, business strategy, organizational capabilities and human resource practices. This integrative framework identifies three paths through which
HR practices can contribute to business performance: by building organizational capabilities, by improving employee satisfaction and by shaping customer and share-holder satisfaction.¹

Prof. Dudeja V.D. in his article, 'H.R. Challenges of IT', points out that "the concept of HRD embraces the establishing and maintaining a healthy productive work culture, better flexibility of work arrangement, review of organization's structure to adapt to changing needs, train and prepare employees for the new technologies, improving the level of motivation in the organization and attention to systems, rules and procedures with focus on results. The success of any HRD activity depends largely on the commitment of top management to HRD. We have seen a number of chief executives who are visionaries in treating the human resources as the most important asset of their organization. They have played an active role in developing people and contributing to the organizational effectiveness. In more successful firms many chief executives have used HRD orientation for growth, cultural change and even turnaround, drawing on the rich experience and insights of BHEL, Maruti, SAIL, TISCO and the Japanese organizations to support the conviction that productivity can be achieved mainly through people. It is the people who can make things happen. There is a great need for a change in our value systems to internalise Indian culture in management".²


Satya Raju and Jagannadham A.P. in their research article, “HRD in Voluntary Organizations” point out that “in Andhra Pradesh, the role of voluntary organizations is quite significant. Bhagavathula Charitable Trust is a successful voluntary organization and it depends on animators for leadership generation. BCT has conducted a series of training camps in the area of management of dairy animal on modern lines, Para Veterinary, nursery, nursing. At the end, all the respondents were asked to respond on the impact of training programmes. It is heartening to note that there was a remarkable positive change in the village as a result of so many training programmes in the activities of the voluntary organization”.

Bhaskara Rao V.K. in his article, “Role of HRD in Present Day Business”, states that “human factor should become an integral part of corporate plan and the managements should properly utilise the talents of the personnel in the best possible manner. Failure to do so would certainly cause a great concern to the organizations and the nation. In the light of present day changes taking place in business environment, the organizations and the government have to initiate steps to accelerate the pace of HRD. HRD is mainly concerned with three activities of attracting people by offering suitable monetary and non-monetary rewards, retaining them in the organization by improving work environment and motivating them by following progressive policies to bring about personal satisfaction to the employees. HRD is also concerned with managing people at work

and its main aim is to achieve better results with the active involvement and collaboration of employees in the organization. HRD establishes inter-concerned working relationships among the employees to attain the maximum individual development and thereby ensuring effectiveness in the organization".4

Subba Rao in his book, “Human Aspects of Management”, states that “the effective performance of an organization depends not just on the available resources, but its quality and competence as required by the organization from time to time, and it depends on utilization value of human resources. Moreover the efficiency of production process and various areas of management depends to greater extent on the level of human resources development. HRD assumes significance in view of the fast changing organizational environments and need to the organization to adopt new techniques in order to respond to the environmental changes. The changing environmental factor includes the unprecedented increase in competition within and outside the country, consequent upon the announcement and implementation of economic liberalisation”.5


It provides them with a much wider scope for career development. This has created a sense of inquisitiveness on the part of the employee to know the idea of the officials regarding him. Nearly one-tenth of the respondents coming from other categories stated that their reason for their joining the UPTRON Group was none other than 'better wages'. However, the position was somewhat better as regards the 'better service conditions' are concerned.***

Rao T.V. in his book, "HRD Audit", points out that “good human resource development practices are those that contribute to develop competence, commitment and culture. Competence is not merely related to single individual. Competence relates to a team, pairs of individuals or a group of individuals, may also be related to the organization as a whole. It includes a variety of skills and abilities ranging from simple awareness, knowledge and information to highly sophisticated and complex ones. Development of commitment has a lot to do with motivation and work habits. Commitment is indicated by work effort, zeal, involvement and enjoyment of the work, or the job of developing commitment should be at the level of individuals, dyads, teams, the work unit, and the entire organization. A strong culture can have a lasting effect on an organization and provide sustenance to it. It gives a sense of pride and identity to individuals and teams. It enchanges predictability, reduces transactional costs and also contributes to commitment. The instruments of culture-building include organizational climate surveys, total quality management

interventions, value-clarification exercises, vision-mission workshops, organization al-renewal exercises and various other organization development interventions".

Biswajeet Pattanayak in his book, 'Human Resource Management', states that "each of the human resource development mechanisms contributes to the achievement of overall human resource development goal. Performance appraisal focuses primarily on helping the individual develop his present job role. Potential appraisal focuses primarily on indentifying the employee's likely future roles within the organization. Training is a means of developing the individual's personal effectiveness and it can also strengthen inter-personal relationships and increase teamwork. Organization development is the mechanism for developing team collaboration and self-renewing skills. It also provides efforts to promote employee's welfare and to ensure the quality of work life with honours and awards, to promote a general climate of development and motivation among employees. For synergic benefits of integrated sub systems, the human resource development mechanisms should not be thought of in isolation. They are designed to work together in an integrated system. Human resource development mechanisms should lead to the generation of human resource development processes like role clarity, performance planning, development climate, risk-taking and dynamism in employees. Such human resource development processes should result in

developing more competent, satisfied and committed people; their contribution would make the organization grow”.

Abraham in his dissertation, “A study of human resource development practices in Indian organizations”, measures various elements of the human resource development profile of 68 organizations which he had surveyed. His survey covers training, career planning, promotions, rewards, performance management practices and human resource development climate. For the study he has constructed an index growth of the company’s profitability as a measure of organizational performance. He is able to use this index only in 14 of the 68 companies. He has found that while the human resource development profile did not correlate with the companies performance, the human resource development climate did. He has found that the perception of the human resource development climate of the company was more important than the human resource development practice itself. This study also indicates that human resource development culture is a powerful intervening variable in translating human resource development practices into profit and also provides some insight into this and shows that it is a better human resource development climate rather than human resource development practices by themselves that are responsible for organizational performance. This is not to deny the importance of good HR practices and HR processes. One can create an appropriate HRD climate only through good HRD practices and processes”.


Abraham E. in his research article, ‘HRD Climate in Banks’, points out that “human resource development climate is an integral part of an organizational climate. The study on the human resource development climate of Indian banks comes to the conclusion that training, the most used mechanism in human resource development in banks, needs to be evaluated time and again to verify its effectiveness and that the top management which believes in human resource development philosophy and its values, must be given sufficient time to put them into practice in their respective organizations”.

Peter Drucker and Michael Armstrong suggest that “development is always self-development. Nothing is more absurd than for the enterprise to assume responsibility for the development of a person. The responsibility rests with the individuals, their abilities and their effects. Every manager in a business has the opportunity to encourage individual self development, to stifle it, to direct it or to misdirect it - they should be specifically assigned the responsibility for helping all people working with them to focus direct and apply their self-development activities productively”.

Cynthia D. Fisher, Lyle F. Schoenfeldt and James B. Shaw in their book, “Human Resource Management”, state that human resource development in the future may be significantly different from the way it is practised at present. These changes will derive in part from the

revolution in technology and in part from the changes in organizational structure and the increasing demands to be quick, innovative, and flexible in order to remain competitive. Changes will occur both in training content and in delivery. Training will become more responsive and individualized, and more of it will be conducted by outside providers or by managers or team leaders rather than professional in house trainers.\textsuperscript{12}

Varghese N.V. in his article, "Technological Changes and Human Resource Development", points out that "human resource development envisages governmental responsibility in education and employer's responsibility in training in the following lines of elementary education under the total control and financial responsibility of the government; secondary education under the control of the government, taking advantage of the facilities of the firms, higher technological education under the control of the government; taking advantage of the facilities of the firms, higher technological education under the control of the government on a resource-sharing basis; and training under the responsibility of the firms irrespective of the fact that they are in the private or public sector. This pattern will not only relieve the government of its financial responsibilities but also help in making education more relevant".\textsuperscript{13}

Murali Krishna P. in his research article states that "in spite of growing developments in human resources of BHEL, Hyderabad, it faces a number of problems relating to productivity and effectiveness like any


other public sector organization. With recent liberalisation of economy and disinvestment, BHEL has to face the most difficult and crucial tasks and challenges in the future, which demand more quality and dynamism from its workforce, reduction in costs, increase in quality of customer service and handling of sophisticated technology. The core cause for all these problems is low productivity among employees, which in turn is due to lack of required abilities and skills in employees. Another reason would be lack of commitment and aptitude towards innovation on the part of human resource management. The basic reason for all these problems is the absence of proper development of human resources”.

Kawaljeet Singh in his research work on 'Human Resource Development in Public Enterprises in Turbulent Times' says that “in order to build up organizational strength and improve organizational climate of corporate enterprises, a well co-ordinated and integrated approach is necessary for designing and implementing training programmes for developing human resources. The top management, policy makers, training personnel, in house training centres and external training agencies involved in the task of training, have to come together to find solutions to problems of training and human resource development. The growth of an organization depends on an environment conducive to the development of a sound system of training. If corporate enterprises are to contribute to the socio-economic transformation of the country, then we have to streamline and strengthen the system of training and human resource development.

development, which hold the key to developing competent, highly skilled technically sound personnel needed for greater productivity and efficiency”.

The survey of HRD practices in 53 organizations indicates, by and large, a positive trend of using open appraisal systems, improving the training function, taking up OD activities and using employee counselling by an increasingly large number of companies. However no major breakthrough seems to have taken place in potential appraisal and potential development practices. As a result, reward administration and promotion decisions seem to continue to be traditional. Sometimes, vitiating the atmosphere for implementing HRD, OD and counselling are being increasingly used, but qualitative improvements are much needed to make the organization see the impact. All in all HRD, seems to be becoming a significant aspect of work and life in many organizations.

Anuradha Sharma and Pooja Purang in their research paper titled, “Value Institutionalization and HRD Climate. A Case Study of Navratna Public Sector Organization”, point out that “Values have come to play a central role in management of organizations today. An important reason for that is the multinationalisation of organizations in today’s world. Values in organization are implicitly and explicitly imbibed. Thus in organizations’ policies formulated are kept congruent to the organizational value system. But at times values espoused by the organization may not

be the same values practised by the organization or managers. This
dichotomy causes a lot of confusion to the employees. This may result
in decisions and policies being guided by some criteria other than what
are the values of the organization. This may hamper the institutionalization
of values. At the same time, ethical practices affect the various processes
of an organization like production and HRD practices”. They concluded
in their study that “it is often seen that in most of the organizations there
is little concern for individual values while formulating the value system
of the organization. The decisions are taken by the upper management
and passed downwards. Employees are expected to take care of their own
values which, in turn, would take care of the organizational values. This
disregard for the employee’s personal values and opinions may lead to
lower organizational commitment”.

Vijaybhasker and Srinivas in their article, ‘Look Beyond’, state
that “when values are involved, changing the quality of human resources
takes time. Therefore organization cannot be content with the thought that
they will change quality of human resources (by HRD process that the
internal to the organization) after the person joins the organization. Till
the time person is changed, the organization is using less of the human
resource and therefore incurring unnecessary costs. It follows that if the
quality of human resources in the environment is low, it increases the
cost of the organization since human potential can be continuously
improved, the better the quality of the human resource available in the

17. Anuradha Sharma, Pooja Gupta, “Value Institutionilisation and HRD Climate. A Case Study of
Navartna Public Sector organization” Vision. The Journal of Business Perspective, Volume 4
special issue 2000, PP 13-16.
environment, the better it will become due to HRD processes adopted by the organization. This will increase the competitiveness of the organization further. Hence having a good quality of human resource in the environment, coupled with the quality of organizational processes, increase the competitiveness of organizations.18

Karunes S. and Singh S.B. in their article, ‘Training Practices in Defence: A Case Study’ state that “training is an inseparable ritual with defence. It provides the armed forces with vital teeth and nails for the offensive and defensive operations. The training in defence starts at the time of recruitment and goes on till superannuation. This includes basic military training, firing, obstacle crossing, war gaming, map reading, equipment handling, and computer awareness. Training is catered for each and everyone - officers, supervisors and tradesmen, combatants as well as civilians. Training in defence is not a fluke or chance, but a well planned and co-ordinated affair. In defence, training is conceptualised to make the students competent with the best of the world whether in studies, sports or wars. In defence, greater emphasis is given to the job practice rather than the classroom talk. The theoretical knowledge is amply demonstrated with actual equipment besides, working and cut out models. Besides, trainees are adequately allowed to drive, operate, repair and recover with own hands - both individually and in groups. Where actual operations become cost intensive, practice is imparted under simulated conditions with dummy models. The motive behind giving more practical

exposure is to boost the soldier's confidence when confronted with real life situations'.

Digman L.A. states that "successful training begins with a thorough assessment of needs to determine which employees need to be trained and what they need to be trained to do. Needs assessment takes time and money. Unfortunately, a great many organizations undertake training without this necessary preliminary investment. In one survey, 81 per cent of organizations said that they identified training needs only by reacting to problems that cropped up and to requests by supervisors".20 "A survey of management training practices found that only 27 per cent of organizations systematically assessed the training needs of their managers. Often there is no systematic effort to predict future training needs or to determine if perceived needs and problems really exist and can be properly addressed by training".21

Patel M.K. in his research article, "Indian Nationalised Banks - Where is Awareness of HRD Practices", says that "in the banking and other service organizations, as in new millennium no institution can survive without consciousness of quality of work, in the era of global village and computerization of banking industry. Organizations have to face stiff competition from all the angles of management. Banking industry has to change the policy and practices towards its employees as there were much more differences in general practices and training aspects. The industry

has to match, adjust and regularize, scientifically to uplift the performance of employees by sound HRD general and training policy".22

Tanuja Agarwala in his research article, ‘The Practice of HRD: Internal Customers View” a comparative study between private and public sector organizations, says that “HRD climate of the private sector organization was perceived as significantly more motivational, characterized by values such as trust, collaboration, co-operation and openness as compared to the public sector organizations. And also suggests that certain HRD practice dimensions, such as top management, commitment and support. HRD values, conducting feedback surveys and climate surveys in the organization, contribute to formulating personnel policies that enhance employee motivation and keeping the top management in touch with the impact of various HR practices on the employees may be more important than other HRD practice dimensions for the HRD climate of the organization. HRD practices should match the changing environmental demands and employees’ needs”.23

Professor David Asbton in his article on ‘Workplace Diversity Training’ says that ‘it appears that much of the work that has taken place is fairly minimal and reflects a slow reaction to changes in the legal environment. If organizations are to join to reap the benefits of increased diversity, steps must be taken to ensure that it is more frequently considered, and effective training is provided, that is training which

bridges the gap between policy and practice. This training must reach all parts of the organization, must include relations with the external environment and must be monitored effectively.\textsuperscript{24}

Godwin Premsingh J. in his dissertation says that "In BSNL, Trichy, more than half the respondents fall in line with low level of perception with regard to all the dimensions of HRD practice profile.\textsuperscript{25}

The researcher has formulated the objectives of the research study based on the above mentioned reviews.
