CHAPTER – I
INTRODUCTION AND DESIGN OF THE STUDY

1. INTRODUCTION

Human resource are the people and their characteristics at work either at national level or at organizational level. From the National point of view, Human Resources are knowledge, skills, creative abilities, attitude and other attributes obtained in the population whereas from the viewpoint of an organization, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes of its employees.

The Management is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop an effective organization of men and women, who make up an enterprise and who have regard for the well-being of the individuals and of working groups\(^1\).

Human capital consists of well-employed human resource that is actively engaged in meaningful, worthwhile work and delivering some level of desired productivity. However, in practice, such a distinction is not made and human capital is defined as consisting of knowledge and abilities. For example, Becker has defined human capital as, “stocks of skills and knowledge embodied in the ability value. It is the skill and knowledge gained by a worker through education and training.”\(^2\)

Since an organization performs a number of functions to achieve its objectives, it requires human resources of different types which may be categorized on the basis of functional areas like production, marketing, finance, etc. or organizational hierarchy or the levels at which these resources are placed. Thus, human resources across the functional areas may be arranged into top management, middle management, supervisory management and operatives.
**HRM Definition**

Human Resource Management (HRM) is concerned with the people dimension in management. Since every organization is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives.³

According to Flippo “The personnel function is concerned with the procurement, development, compensation, integration and maintenance of the personnel of an organization for the purpose of contributing towards the accomplishment of that organisation’s major goals or objectives”.⁴

**Techniques of HRM**

They following techniques are called as HRM methods, HRM sub-systems and HRM mechanism. They include:

a. Performance appraisal
b. Career planning and development
c. Employee training
d. Executive development
e. Organizational changes
f. Organizational development
g. Worker’s participation in Management
h. Quality of work life
i. Employee counseling
j. Team work
k. Role Analysis
l. Communication policies
m. Monetary rewards
n. Non-monetary rewards
o. Employee benefits
p. Grievances mechanism
FUNCTIONS OF HRM

i. Managerial Functions:

The managerial functions of human resource management are as follows:

a. Planning
b. Organising
c. Directing and
d. Controlling.

These have been explained briefly below.

Planning:

Planning is decided in advance what should be done. It helps to work in a systematic manner and eliminates the need for working at random. Planning involves the determination of objectives, policies, procedures, rules, strategies, programmes and budgets. In the context of human resource management, planning is necessary to determine the manpower needs of the enterprise. This ensures that at any given point of time, the right number and type of persons are employed in the different departments of the enterprise and there is no problem of either surplus or shortage of labour. Human resource planning is also vital for formulating suitable personnel policies and programmes.

Organising:

Organising involves the performance of the following tasks:

a. Division of work among employees (assignment of duties)
b. Delegation of authority (transfer of official rights by a superior to his subordinate)
c. Creation of accountability (subordinate to whom work has been assigned and authority has been delegated, is made answerable for the progress of work).
Directing:

Directing the human resource does not mean the process of issuing mere orders and instructions to the subordinate staff. It is, in fact, the process of supervising, guiding and motivating the employees in order to get the best out of them. By performing the directing function, the human resource manager will also be able to get the whole-hearted support and co-operation of all his subordinate staff. This helps in the effective attainment of the enterprise objective.

Controlling:

If planning is looking ahead, controlling is looking back. The object of the control function is to ensure that what has been planned has been successfully achieved. Planning without control is useless and control without planning is meaningless. The process of control involves the following stages:

a. Establishing standards
b. Measuring actual performance
c. Comparing the actual performance with the standards laid down already
d. Measuring deviations
e. Taking corrective actions

Controlling, in the context of human resource management, is performed by means of direct, observation, supervision, reports, records and audit.

ii. Operative Functions

The operative functions of human resource management consist of the following:

a. Procurement
b. Development
c. Compensation
d. Integration
e. Maintenance

The scope of these operative functions is given briefly below.
**Procurement:**

Procurement of human resource is concerned with the following:

a. Job analysis  
b. Human resource planning  
c. Recruitment  
d. Selection  
e. Placement  
f. Transfer  
g. Promotion

**Development:**

Development of human resource is concerned with the following:

a. Performance appraisal  
b. Training  
c. Executive development  
d. Career planning and development  
e. Organizational Development (OD)

**Compensation:**

It deals with the following:

a. Job evaluation  
b. Wage and salary administration  
c. Incentives  
d. Bonus  
e. Fringe benefits  
f. Social security schemes

**Integration:**

It is concerned with the performance of all those activities the aim of which is to bring about reconciliation between individual interests and that of the organisation. These include:
a. Motivating employees to work better
b. Boosting the Morale of the staff
c. Ensuring effective Communication
d. Enhancing leadership qualities
e. Providing scope for collective bargaining
f. Redressing grievance
g. Managing conflicts
h. Handling disciplinary cases
i. Providing counseling to get rid of stress
j. Improving quality of work life of employees.

Maintenance:
This function deals with the following:

a. Promoting job satisfaction among employees.
b. Tackling the problem of labour turnover.
c. Human resource accounting, audit and research.

IMPORTANCE OF THE STUDY
Human Resources become full-fledged when they acquire functional skill and appropriate attitude. In the absence of required development, human beings could be liabilities at micro and macro level.

In an organization, individuals rise to higher position based on their technical skills. They occupy higher position involving greater responsibility and skill, and they spend less and time for technical aspects and problems, but spend more time on the human side of the organization which demands distinct knowledge, abilities and skills that may be absent in them to the extent required.

Human resources are knowledge, skills, creative abilities, talents and attitudes obtained in the population; whereas from the viewpoint of the individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitude of its employees.6
The human aspect of organizations has become very important over the years. HRM stresses on the motivation of employees by providing them various financial and non-financial incentives. Effective management of human resources promotes teamwork and team spirit among employees.

Every business is made up of people and its human resources. An organisation is nothing without human resources. Human resource management is about managing these people effectively. It is aimed at achieving business objectives through the best use of an organisation’s human resources. Effective management of human resources is vital in all types and sizes of organisations.

An organization may be attractive and potentially profitable. It cannot be successful unless there are men who can mobilize, organize and harness resources. Companies have considerable life; it is too easy to criticize the managers of the long years. But today the need of the hour is the proper HRM strategy and implementation, so that individuals will stress the organization towards prosperity and growth.

In the present study, importance has been given to the public sector and private sector in the sense a special case study has been exclusively carried out in Tamil Nadu Newsprint Limited and Seshasayee Paper and Boards Limited to examine its HRM practices based on the topic “A study of Employee’s Perception on the Human Resource Management Practices in select major Paper Industries in Tamil Nadu with reference to Tamil Nadu News Print Limited and seshasayee paper and boards Ltd” has undertaken by the researcher.

**STATEMENT OF THE PROBLEM**

The term HRM broadly denotes everything that is concerned with the development of human resources in some way or the “Human resource management”, could be defined as, organized learning experience in a define period to increase the possibility of improving job performance growth.
Human Resource Management though a new nomenclature as a field of study in today’s context existed in some form with the evolution of human organizations even some 5000 years back through various institutions and system such as Ashramavyavastha, Purusharthas, Joint Family etc., These systems slowly disappeared from India on account of foreign invasions and alien rule for several centuries. India is a big democrative nation in the resources.

India has the largest number of engineer’s technicians, doctors, lawyers and other professionals. The investment made both in public and private sector units and all organization should field decent returns. This demands not only advanced technology but also efficient human resource with skills, knowledge, right attitude and devotion to accomplish the objectives in the optimal manner. It highlights the importance and the significance of HRM in India, which has to play a vital role in correcting the situation.

The managers in India are quite alive to the aspect of HRM. Accordingly, the importance has been given, with hiring, motivating and maintaining people in an organization. It focuses on human resources and improving their capabilities for development with quality.

HRM also gained importance from the collective efforts of the National productivity council, when the different organizations use the concept of strategic Human Resource Management as the key element for improving their business. For the study, TNPL in Karur District and SPB Ltd., in Namakkal District are selected by the researcher to study about the existing HRM practice in such industries because there will be a greater scope for an improvement in the Human Resources Management practices in TNPL and SPB Ltd. Hence, an attempt has been made by the researcher to study employee’s perception on the HRM practices in TNPL and SPB Ltd in Tamil Nadu.
SCOPE OF THE STUDY

It involves continuous improvement of employee’s capabilities of the resources. Without HRM, no organisation will function efficiently. In order to be the effective organisation, every manufacturing industry needs competitive people. Every organization wants to develop diversity, renew and change, improve which require efficient employees. So the competencies and capabilities of the employees can be developed through effective HRM Techniques, i.e., training and development, promotion, performance appraisal, counseling and various incentive schemes etc. so this study aims at finding out the effectiveness of HRM practices followed in both the TNPL and SPB Ltd industries on the basis of employee’s views and perception. There are only two major paper industries in Tamil Nadu i.e., TNPL and SPB Ltd. The other industries, which are medium and smaller in size, which are listed below. So such industries are excluded from the study.

2. CN Paper Industries, Chennai.
6. BVV Paper Inds (P) Ltd., Coimbatore.
8. Sri Kasthuri Note Books, Coimbatore.

There is a high competitive paper market for these two paper industries i.e. TNPL and SPB Ltd in Tamil Nadu than other small paper industries. So the researcher has chosen only these two major paper industries for the study because these two industries are producing large quantity of paper and paper products which are of high quality.
REVIEW OF LITERATURE

The related previous studies are given below:

T. Jogaiah (1990)\textsuperscript{7} examined the rigorous and an in-depth research study of training and development of executives in the Indian Power Sector, the first of its kind in the country. Apart from providing a strong theoretical and conceptual foundation on training and development of executives, it covered an exhaustive study of the Power Sector problems and prospects concerning personnel policies, HRD, policies and practices relating to executive training and development and institutional training network in the power sector. It embodied the results of a probe into the executive training and development methods, techniques, achievements and failures of Andra Pradesh State Electricity Board. The views of top, middle and lower level executives, executives concerned, the training faculty and executives' associations are also incorporated to present a diversified account of their assessment of the Electricity Boards' policies and practices in India.

M.R.R. Nair and T.V. Rao (1990)\textsuperscript{8} an edited compendium, focused on chief executives' views and experiences on HRD. It also dealt with the HRD philosophy, importance, macro level issues, expectations of like managers and workers from HRD, role of HRD managers, dimensions of developing HRM facilitators and programmes.

Arvindrai Desai (1990)\textsuperscript{9} in his study, “An empirical study of relation of job involvements to job satisfaction of supervisory and non-supervisory staff in textile mills” revealed that the job variables of challenge and authority were strongly related to job satisfaction changes of rising in organisational hierarchy was related strongly to job satisfaction in their job involvement.

T.V. Roa (1991)\textsuperscript{10} an edited compendium, started with a conceptual framework on development and integrated HRD and ended with an account of research in HRD. It also focus on HRD instruments like performance appraisal, potential appraisal, counseling, training rewards and implementation of the same in different organizations. It also dealt with HRD in government systems, primarily focused on educational system.
Sanrupt Misra (1992)\textsuperscript{11}, was an empirical research study of Orissa Education Service. This study dealt with theoretical perspectives of human resources and education, recruitment, selection, induction and placement, training and development of teaching personnel, their motivation, integration and job satisfaction, performance appraisal, career development, discipline and grievance handling. Since the Research Study was operational in nature, a number of suggestions have also been offered on the basis of findings.

Udhar and Rajnish (1992)\textsuperscript{12} conducted a study on “job involvement job satisfaction and some demographic correlates: A study of academicians: the study showed that among the various demographic variables age has no direct import on job satisfaction on employees”.

M.G. Rao (1993)\textsuperscript{13} a compendium, threw light on the complexities of managing human beings in the present day organisations. The various aspects of HRD in relation to small scale units operating in industrial estates have been presented initially, followed by theoretical presentation on HRM, different aspects of training, organisational development, employee participation, etc. The effects of training and employee developmental activities have also been put to close examination. It also attempted to find how the employee-related activities flourish in various other sectors like urban government, co-operative, informal sector and small scale sector.

P. Subba Rao (1993)\textsuperscript{14} a compendium, presented the various developments in the HRM in a comprehensive form. It also attempted to look into the current trends in the Human Resource Function with a view to outline the future developments that are likely to take place in the years ahead. It also discussed in a lucid manner the topics such as job analysis, job evaluation, employee benefits, recruitment and selection, line staff conflicts, social responsibility policies along with other current topics such as organisational culture and climate, organisational politics, organizational effectiveness, followership, participative management, dual career problems, quality of work life, quality circles and organisational development.
Miss B. Charumathi (1994)\textsuperscript{15} conducted a comparative study on HRD in select public Sector and Private Sector Bank in Tamil Nadu in 1994. She has analysed Indian Bank and Indian Overseas Bank in Public Sector and Lakshmi Vilas Bank and Karur Vysya Bank in Private Sector. She found that the HRM tasks relating to Supporting of Unions and associations are adequately performed in both the group of banks.

Joshi and Sharma (1997)\textsuperscript{16} conducted an investigation “Determinants of managerial satisfaction in a private organisation” which revealed that co-textual factors do have major role to play on job satisfaction. Co-textual factors job content training together account for more than half for the variance of job satisfaction. There are 15 variables were found significantly related to job satisfactions, which are scope for advancement.

Mahavir Singh’s (1998)\textsuperscript{17} conducted research on organisational climate in libraries, have added the objectives to study demographic factors and organisational climate dimension for job involvement among the library professionals. The result showed that, there is no significant has relation between age, experience, salary and job involvement. The relationship between job involvement and organisational climate indicated that there is a negative between the two.

Sivakumar (1999)\textsuperscript{18} in his study on “Retaining employees some strategies”, indicated that providing good environment, introduction of new management concepts, providing better employees benefits, providing intrinsic satisfaction, building model organisation, building cultural fit, avoiding demodicing practices are remain factors to give maximum satisfaction to employees of an organisation”.

Mr. A. Gnanasekaran (2000)\textsuperscript{19} conducted a study on HRD practices in Chennai Port Trust in 2000. Among the other things he found that Employees have accepted the concept of HRM in Chennai Port Trust. A systematic HR planning is followed in the Chennai Port Trust.
Green (2001)\(^{20}\) in his study on 80 persons unit of a large corporation revealed that the factors had significant relationship with job satisfaction, which is management leadership, team work, supervision, recognition, pay and benefits and security. The study further revealed that after the effective steps taken with regard to above factors the level of job satisfaction is improved much.

Chakraborty (2004)\(^{21}\) “Job satisfaction does solely depend upon the nature of job”. The study reveals that teacher’s job satisfaction also lightly depends on institutional work cultural, personal relation among the teachers, salary obtained by the teachers, institution library facilities, communication facility etc.

Selvaraj and Muthu Deivakani (2005)\(^{22}\), “Human resources development in co-operative milk supply society”, study reveals that healthy personality and education is a good sign of having job satisfaction. Job satisfaction is an important factor related to variables like job involvement, organisation, commitment, etc.

J.Christopher Abele (2006)\(^{23}\), In this study Jootwords’ job satisfaction is a central construct in organisational research is important. Theoretical conceptualizations on the determinants of job satisfaction can be divided into satisfaction approaches.

H.James (2007)\(^{24}\) conducted a study on job satisfaction among the measured and utilized to develop productivity. This model included three job satisfaction measures supervision, pay and consistent.

Yang Danmin (2008)\(^{25}\) in their research an job satisfaction has been a subject of great interest organizations and human resource management job satisfaction influences may aspects of work such as also been studied because it relates.
OBJECTIVES OF THE STUDY

The study is based on the following objectives:

1. To study the origin and growth of paper industries in the Indian context.
2. To study about the profile of the TNPL and SPB Ltd.
3. To study about the existing HRM practices in TNPL and SPB Ltd.
4. To examine about the employees’ views and perception on the existing HRM practices in both TNPL and SPB Ltd.
5. To examine the effectiveness of HRM practices on job satisfaction of the employees in both TNPL and SPB Ltd.
6. To suggest measures based on the findings for improving HRM practices in both Paper industries.

HYPOTHESES

The study is subject to the following hypotheses

1. \( H_0 \) : Existing HRM practices do not influence the respondents’ level of job satisfaction both in TNPL and SPB Ltd based on job position of employees.

2. \( H_0 \) : Existing HRM practices do not influence the respondents’ level of job satisfaction both in TNPL and SPB based on Educational Qualification.

3. \( H_0 \) : Existing HRM practices do not influence the respondents’ level of job satisfaction both in TNPL and SPB based on their age level.

4. \( H_0 \) : Existing HRM practices do not influence the respondents’ level of job satisfaction both in TNPL and SPB based on their experience level.
5. \( H_0 \) : Existing HRM practices do not influence the respondents’ level of job satisfaction both in TNPL and SPB based on their working department wise.

6. \( H_0 \) : HRM practices do not affect the level of job satisfaction of employees working in TNPL and SPB Ltd based on their present job position.

7. \( H_0 \) : HRM practices do not affect the respondents’ level of job satisfaction who are working in TNPL and SPB based on their Educational qualification.

8. \( H_0 \) : HRM practices do not affect the respondents’ level of job satisfaction who are working in TNPL and SPB based on their age level.

9. \( H_0 \) : HRM practices do not affect the respondents’ level of job satisfaction who are working in TNPL and SPB based on their experience level.

10. \( H_0 \) : HRM practices do not affect the respondents’ level of job satisfaction who are working in TNPL and SPB based on their working department wise.

**RESEARCH METHODOLOGY**

**Sampling Technique**

The validity of a research depends upon the method of collecting the data and analyzing the same. In the present study extensive uses of both primary and secondary data which were collected systematically. For collecting primary data, field survey technique was used in the study area i.e., TNPL and SPB Ltd, through the questionnaire. First-hand information pertaining to existing HRM practices and level of satisfaction of the selected sample respondent towards HRM practices in the study area were collected. For this
purpose, one hundred and seventy two (10% of the total employees) respondents from TNPL and one hundred and seventy (10% of the total employees) respondents from SPB Ltd. were selected randomly from the list of employees register roll. So, ten percent of the total employees in both industries were selected for the collection of primary data. While collecting the data through questionnaire, stratified random sampling technique was adopted. So the respondents are classified into three types i.e. worker, staff and middle level executives. Top level executives are excluded from the data collection for the study purpose.

Table 1.1
Table showing classification of the respondents for data collection

<table>
<thead>
<tr>
<th>S.No</th>
<th>Respondents</th>
<th>TNPL (10%)</th>
<th>SPB (10%)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Workmen</td>
<td>55</td>
<td>56</td>
<td>111</td>
</tr>
<tr>
<td>2</td>
<td>Staff</td>
<td>71</td>
<td>73</td>
<td>144</td>
</tr>
<tr>
<td>3</td>
<td>Middle level executives</td>
<td>46</td>
<td>41</td>
<td>87</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>172</td>
<td>170</td>
<td>342</td>
</tr>
</tbody>
</table>

DATA COLLECTION
Primary Data
In order to fulfill the above objectives a sample study was undertaken using well-framed questionnaire and got it duly filled in by the employees. Respondents of varying nature were selected based on the important aspects of their present position, educational qualification, age and experience and working department etc. The researcher had conducted preliminary interview (Pilot Study) with some selected respondents. The drafted questionnaire was circulated among some research experts, General Manager, Assistant General Manager (HRM) and research scholars for a critical view with respect to the wording, format, sequence and liking of the questionnaire etc. It was re-drafted in the light of their comments. A structured questionnaire was pre-tested and suitable modifications in the questionnaire were carried out later.
The researcher used “close and open” ended questions in the questionnaire to collect the primary data. For the collection of primary data employees are classified into three types based on their position i.e. worker, staff and middle level executives.

**Secondary Data**

The primary data were supplemented by enough secondary data. The secondary data pertaining to the study were gathered from books, annual reports, journals etc., were utilized to get the necessary and latest information required for the study. The key aspects of the present research to be studied were identified from the HRM concepts, websites, HR journals and some selected books.

**Discussions and Informal Interviews**

In order to know about the general working pattern of the HRM, several rounds of discussions were held with knowledgeable persons in the field. For this purpose, a good report had been established with the leading Managers, Heads, and Supervisors.

**Period of Data Collection**

The primary data were collected by researcher during the period of 6 months that is July 2010 to December 2010.

**Analytical Frame Work**

By virtue of a mass data obtained from the research survey through questionnaire, as well as data from secondary sources collected and presented in this report, descriptive and analytical study were considered as the most appropriate for this study. The study reveals the employee’s level of satisfaction towards existing HRM practices and effect of HRM practices in both TNPL and SPB Ltd.
STATISTICAL TOOLS USED

To analyse the employees opinion about the existing HRM practices, the data collected from three different kinds of respondents were studied by means of

a. Percentage Analysis,
b. Averages,
c. Ranges and standard Deviation,
d. Two-way Tables,
e. Chi-square Test,
f. ANOVA Test,
g. Multiple Correlation,
h. Multiple Regression

LIMITATIONS OF THE STUDY

The study is to subject to the following limitations

a. The study is confined only to two major paper industries in Tamil Nadu namely Tamil Nadu Newsprint Paper Limited (TNPL) and SPB Ltd., as they represent major contributors to the newsprint and papers production.

b. The study does not include other paper units, as they are very small and medium in size.

c. Due to lack of time and response, the sample size has been restricted to 342 employees of both the companies representing 10% of the total employees.

d. The study excluded Top Level Executives in both industries from the data collection for the study purpose.

e. There was a bias among the respondents while answering the questionnaire.
CHAPTER SCHEME

- The **first chapter** deals with Introduction and design of the study, Importance of the study, Statement of the problem, Scope of the study, Review of Literature, Objectives of the study, Hypotheses, Research methodology, Limitations of the study and chapter scheme.

- The **second chapter** deals with the origin and growth of paper industries in Indian context.

- The **third chapter** deals with the profile of TNPL and SPB Ltd. (including existing HRM techniques)

- The **fourth chapter** depicts opinion of the employees on the existing HRM practices in both TNPL and SPB Ltd.

- The **fifth chapter** deals with the analysis and interpretation of data about the existing HRM practices.

- The **sixth chapter** deals with the summaries of findings, suggestions and conclusion.
ENDNOTES


15. Charumathi, B A study on HRM is Select Public Sector and Private Sector Banks in Tamil Nadu -1994-pg. 213.


