CHAPTER - I

Introduction
INTRODUCTION

This human resource is considered as the back bone of any economic enterprise, be it a Public, Private or Co-operative. The Human Resources are by far the most dynamic and important resource of the various kind of resources that are needed to move the wheels of an economic activity. Economic development of any nation depends on the natural resources, the rate of capital formation and technological process. In recent years, the economists have added "Human Resource" besides land, capital and technology as key factor for building and developing the nation. The optimum utilization of natural resources and the inputs of capital and the technology depend on the extend of use of Human Resources. Unlike other resources, this resource presents its own unique characteristics of "The resource of all resources", which are harnesses to began any economic enterprises. It is a fact that there exists an association between Human Resource and business performance.

Among all resources available in an organization, human resources are the most valuable asset and through their collection of resources which must be properly co-efforts sea changes are occurred in the organization by utilizing the
resource at the optimum level for the achievement of organizational objectives. Thus, the motivation of human factor is the central responsibility of management everywhere. The effectiveness with which human efforts are co-oriented and utilized determines the success in achieving organization objectives.

The objectives of an organization can be attained when an active cooperation of people working in the organization is sought by the management. The desire and ability of the people working in the organization make the success of an organization by accomplishing the well defined objectives. Therefore, the management of human resources efficiently presupposes a team of cooperative work force in the organization. This task has been assigned to the personnel department in most of the modern organizations.

STATEMENT OF THE PROBLEM

After globalization the Indian industries are forced to change the style of functioning to the core of global management. The Indian economic scenario is undergoing a basic structural change affecting all walks of life. Many of the challenges are based on Global competition, Fast changing information and technology, Shorter product life cycles, Decline in productivity, Composition of workforce, Government regulations, Pressure from trade unions and above all
rising expectations of the internal and external customers. As a result of the ever increasing challenges, many of the established organizations are carving for survival. These have telling implications in the Design of recruitment, Selection, Training and Development, Motivation, Compensation, Performance Evaluation, Employee Discipline, Promotion and Transfer etc. The Human Resource professionals therefore must focus more on the deliverables of their work and lesson just getting work done and they must articulate their role in the terms of the value they create. The new policy of LPG, forced the public sector organization to introduce latest technology for increasing the productivity. These industries which are not ready to implement the latest technical know-how are converted into privatization policy. This threat, change the mind set of the top management to introduced the latest technology for enhancing their production efficiency while implementing the technology many issued related to HRM are emerged especially an downsizing the labour force and changing the training and development policies. At this juncture, managing the highly skilled labour and low skilled labour become a tough problem for steel industries in Salem Steel Plant. The highly skilled labours are attracted by the private steel companies located in the neighboring district of Coimbatore and Hosur by offering attractive pay and fringe benefits. This scenario created a tough time for the HRM manager to retain the highly talented and workaholic
employees of Salem Steel Plant. Further in implementing the various amenities the various top management was tied for sanctioning liberal funding towards the welfare of the employees based on the above issues the following questions were probed.

i) How efficiently the human resources are managed in Salem steel plant.

ii) What strengths are practiced by HR managers after implementing the LPG policies for effective management of human resource management.

OBJECTIVES

This research titled “A study on HRM practices in public sector undertaking with special reference to Salem steel plant, Salem” has some specific objectives are as follows.

1) To study the managing of the human resources in general and in particular to SSP.

2) To analyse the operative functions of HRM in SSP.

3) To ascertain the various amenities provided for the employees of SSP.

4) To measure the level of satisfaction perceived by the employees towards HRM practices.
5) To identify the common problems faced by the employees towards HRM practices.

6) To suggest better ways and means for effective practices of HRM in Salem Steel Plant.

SCOPE

The study highlights various issues faced by the management on various dimensions of man power management and its direct impact towards productivity. This study helps the other steel plants for effective management of human resources in general and in particular to steel industries of both private and public sector industries. The study also lime lights the strategy for smooth functioning of the organization through maintaining a good rapport with the human resources.

METHODOLOGY

The reliability and validity of any research depends upon the systematic collection of data and using appropriate statistical and mathematical tool to analyse the data. The present study used both primary as well as secondary data. For collecting primary data, field survey technique was used in the selected industries viz., Salem Steel Plant Ltd Salem (Government undertaking). Firsthand information pertaining to various operating functions of HRM such as recruitment, selection, training, development, compensation and integration
were covered. For this purpose, 248 sample respondents were chosen randomly from the list of employees register roll. The total population of studies 1240 out of these employees, only 248 samples was selected by the method stratified random sampling technique. The details of stratification are furnished in the following table.

**TABLE 1.1**

**DETAILS OF SAMPLE RESPONDENT**

<table>
<thead>
<tr>
<th>S.N</th>
<th>Designation</th>
<th>Total strong</th>
<th>No of respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Executive</td>
<td>300</td>
<td>60</td>
</tr>
<tr>
<td>2</td>
<td>Non-Executive</td>
<td>940</td>
<td>188</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1240</strong></td>
<td><strong>248</strong></td>
</tr>
</tbody>
</table>

**DATA COLLECTION**

**PRIMARY DATA**

In order to fulfill the objectives setout, a sample study was undertaken using well structured questionnaire and got it duly filled in by the selected sample respondent of Salem Steel Plant.

The respondents were selected based on the various aspects such as their age, departments, various designation, education, income and so forth. The questionnaire developed for this purpose was pre tested and necessary
modification was incorporated. The researcher directly contacted all the selected sample respondents for collecting the pertinent data.

SECONDARY DATA

The primary data was supplemented by enough secondary sources of data. The secondary data pertaining to the study were gathered from various books on human resources management research methods on human resource management various journals and internet web resources were also used to gathered relevant literature and conceptual frame work of human resource management. For this purpose well equipped libraries at Bangalore, Chennai and Coimbatore learning resource centre were used. A number of standard text books were studied for getting clear insights on the topic chosen for the study.

DISCUSSION AND INFORMED INTERVIEWS

In order to know the practice of human resource management in Salem Steel Plant, several rounds discussion were held with the research supervisor. After the discussion with the top management of Salem Steel Plant namely the General Manager, Production Manager, Human Resource Manager different leader of various trade unions, and a few workers in Salem Steel Plant.

CONSTRUCTION OF QUESTIONNAIRE

The key aspect of the present research to the study was identified from various research articles and HR web sites. After discussion with research
supervisor the questions to be asked with the respondents were classified into various aspects of Human Resource Management. It covers with socio economic data of the respondent, awareness of HRM practices; implementation of HRM practices with various operative functions the level of satisfaction on HRM practices and with few issues. The questionnaire so drafted was circulated among some research experts viz., General manager, DGM(HR), AGM of Salem Steel Plant and research scholars for critical view with respect to the wording format, sequence and likely of the questionnaires. It was re-drafted in the light of their comments and finalized after the approval of the research supervisor.

PRE – TEST

The questionnaire meant for the respondents was pre-tested with 30 respondents. After pre-testing, necessary modifications were made in the questionnaire as suggested by the employees (respondents) to fit it in the track of the present study.

ANALYTICAL FRAME WORK

The core of the study being “Managing Human Resources” in Salem Steel Plant. The study focus around the dependent variable viz., the level of satisfaction, perceived by the respondents towards HRM practices. The data were analyzed with the help of SPSS package.
STATISTICAL TOOLS USED FOR THE STUDY

To analyse the respondent opinion against the existing HRM practices the data were collected from the different types of respondent based on the age, marital status, evaluation background, department, experience gained, type of designation and awareness on HRM which were studied by means of percentage analysis, averages, ranges, standard deviations, two way analysis and chi-square test. Further, multivariate analysis were also employed especially multiple regression analysis, multi-discriminate analysis and factor analysis as and when they were found necessary. The different tools of analysis and the variables studied are shown as follows.

CHI-SQUARE TEST

The degree of influence of the following independent variable pertaining to HRM practices in Salem Steel Plant.

i) Respondents’ age

ii) Respondents’ marital status

iii) Respondents’ education

iv) Respondents’ department

v) Respondents’ experience

vi) Respondents’ awareness on HRM

vii) Respondents’ type of job designations
In order to identify the factors influencing the respondents on HRM practices practiced by Salem Steel Plant and their level of satisfaction on existing HRM practices, a chi square test was employed and the formula of this chi square test furnished below.

\[ \text{Chi-square test} = \sum \frac{(O-E)^2}{E} \]

\[ \text{Degree of freedom} = (R-1)(C-1) \]

Where

- \( O \) = Observe Frequency
- \( E \) = Expected Frequency
- \( R \) = Number of Rows
- \( C \) = Number of Columns

**MULTIPLE REGRESSION ANALYSIS**

Regression is a statistical relationship between two or more variables. When there are two or more independent variables, the analysis that describes such relationship among the variables is called multiple regressions. This analysis is also adopted when one dependent variable is performing the function of two or more independent variables. In multiple regressions, a linear composite of explanatory variable is found in such a way that it has maximum correlation with an active criterion variable. The main objectives for using the technique is to predict the variability of the dependent variable based on its co-
variables with all the other independent variables. It is useful in producing the level of dependent phenomenon, if the levels of independent variables were given. This linear multiple regression problem is to estimate the co-efficient \( P_1, P_2 \ldots \beta_j \) and \( \beta_0 \) such that the expression,

\[
Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \cdots + \beta_j X_k
\]

Where \( K = 1, 2, 3 \ldots \) provided a given estimate of individual \( Y \) score based on the \( X \) scores.

Where

\[
Y = \text{the level of satisfaction perceived by the respondents on existing HRM practices.}
\]

\[
X_1 = \text{Age}
\]

\[
X_2 = \text{Marital Status}
\]

\[
X_3 = \text{Education}
\]

\[
X_4 = \text{Department}
\]

\[
X_5 = \text{Experience}
\]

\[
X_6 = \text{Awareness of HRM}
\]

\[
X_7 = \text{Type of Designation}
\]

and \( \beta_0, \beta_1, \beta_2 \ldots \beta_j \) are the parameters to the estimated.
MULTI DISCRIMINATE ANALYSIS

The objectives of multi discriminate analysis are to predict on objectives likelihood of belonging to a particular group based on severable independent variable. The multi discriminate analysis reveals the specific variables that account for the largest problem of inter group differences. It is a simple scoring system that assigns a score to each individual or object. This score is a weighted average of the individual’s numerical value of the independent variables the individual is assigned to the “most likely” category on the basis of this score. The model is represented as

\[ Z_i = \beta_0 + \beta_1 X_{i1} + \beta_2 X_{i2} + \ldots + \beta_j X_{ik} \]

Where,

- \( X_{ik} \) is the \( i^{th} \) individual value of the \( k^{th} \) the independent variables
- \( \beta_j \) is the multiple discriminate co-efficient of \( k^{th} \) in variable.
- \( Z_i \) is the \( i^{th} \) in individuals multiple discriminate score.

PERIOD OF THE STUDY

The research has covered three years of period from 2006 to 2009. The review and conceptual framework of the study took one year. Then the required data collected by using the primary sources around eight months. The secondary data collection and reviewing each articles consumed another eighteen months. Preparing the master table, data analysis and interpretations
around five month period. To present the data in the form of thesis through rough drafting and in the final form took the remaining three months.

LIMITATIONS OF THE STUDY

The study has the following limitation

i) The respondents in steel plants are not maintaining proper records for the income and wealth position etc. When the researcher approaches to get the answer for questions, they had revealed the information directly without referring any records. This is due to fear of income tax and other problems measures the data has been learned by us, necessary cross verification also incorporated.

ii) This study was conducted only in Salem Steel Plant limited, Tamilnadu and hence the findings and suggestions given may or may not be applicable to other steel plant located in various parts of our country. This is due to the style of practicing in HRM various based on the culture working environment.
CHAPTER SCHEME

The present empirical study has been divided into five chapters.

1. The first chapter deals with the introduction and design of the study. This includes introduction, importance of the study, statement of the problem, objective of the study, methodology of the study, period of the study, scope of the study, limitations of the study and chapter scheme.

2. The second chapter deals with the review for related concept and literature of this research topic.

3. The third chapter highlights the profile of the selected company and its functioning of Human Resources Management.

4. The fourth chapter expresses the data analyze and interpretation of the study. In this chapter attempts have been made to analyse the factors that influences the employees on the level of satisfaction perceived against the practices of HRM in Salem Steel Plant.

5. In the fifth chapter the key findings and conclusions are recapitulated in an orderly form. Based on these findings, a few suggestions have been make for practicing effective management of Human Resources in Salem Steel Plant.