

CHAPTER - III

REVIEW OF LITERATURE

In chapter I, the research topic was introduced. Various concepts on human resource development were described. It also explained other variables like organisation effectiveness, productivity, and industrial relations. Literature from the various sources has been cited to describe various concepts and variables. In this chapter an effort has been made to review the literature on the research problem. Literature on researches done in India and other countries has been cited.

STUDIES ON KNOWLEDGE, ATTITUDES AND PRACTICE:

Aggarwal N. (2001), in study of HRD, KAP (Knowledge, Attitudes, Practice) with reference to Industrial Relation, Productivity and Organisational Effectiveness. The major findings are as follows:

- ❖ Out of 75 respondents, 17(22.7%) respondents are at lower side where as 58(77.3%) are of higher level on HRD Philosophy and Liaison with top management.
- ❖ Out of 75 respondents, 30(40.0%) respondents are at lower side where as 45 (60.0%) are on the higher side on creating development motivation in line managers.
- ❖ Out of 75 respondents, 15(24%) respondents on lower sides and 57 (76%) have on higher side on Strengthening HRD Climate through HRD system.

- ❖ Out of 75 respondents, 26(34.7%) respondents on lower sides and 49(65.3%) have higher side on Directing HRD efforts to Goals and strategies of the organization.
- ❖ Out of 75 respondents, 16(21.3%) respondents are at lower side where as 59(78.7%) respondents are of higher level on Inspiring unions and associations.
- ❖ Out of 75 respondents, 26(34.7%) respondents are at lower side where as 49(65.3%) respondents are of higher level on Human Process Research.
- ❖ Out of respondents, 29(38.7%) respondents on lower sides and 46(61.3%) have on higher side on Personal Policies.
- ❖ Out of 75 respondents, 30(40%) respondents on lower sides and 45(60.0%) have on higher side on HRD others.
- ❖ 34(45.3%) respondents are at lower side where as 41(54.7%) respondents are of higher level on HRD activity task with respect to age group, educational qualification, salary structure and experience.
- ❖ 6(8.0%) respondents are at lower side where as 69(92.0%) are on the higher side on HRD professional knowledge with respect to age group, educational qualification, salary structure and experience.
- ❖ 7(9.3%) respondents on lower sides and 68(90.7%) have on higher side on HRD professional skills with respect to age group, educational qualification, salary structure and experience.

- ❖ 6(8.0%) respondents, on lower sides and (69(92.0%)) have on higher side on HRD personal Attitude and Values with respect to age group, educational qualification, salary structure and experience.
- ❖ The 2-tail probability value has completed for the type of industries (private and public) and HRD Activity task performed and the value is 0.000, which is significant. Further HRD activity tasks are performed well in private then public.
- ❖ The 2-tail probability value has computed for the type of industries (private and public) and HRD professional skills is 0.217, which is significant. Further the HRD professional skill level is better in Private than public.
- ❖ The 2-tail probability value has computed for the type of industries (private and public) and HRD Activity personal Attitudes and value, is 0.401, which is significant. Further the HRD personal attitudes and values are better in Private than Public.
- ❖ The technical education group performs better HRD activity task then non-technical education group.
- ❖ The technical group has better HRD professional knowledge.
- ❖ The technical group has better HRD professional skills.
- ❖ The technical group has better HRD personal attitude and values than non-technical education group.
- ❖ At 0.001 level of confidence, the correlation between productivity and HRD Activity Task is 0.6198 Hence there is strong association between them.

- ❖ At 0.001 level of confidence the correlation between productivity and HRD Professional Knowledge, is 0.6788 Hence there is strong association between them.

Dhomse A. P. (2001), in study of HRD, KAP (Knowledge, Attitudes, Practice) with reference to Industrial Relation, Productivity and Job Satisfaction. The major findings are as follows:

- ❖ It was found that out of total 60 respondents 39(65.0%) respondents said that HRD philosophy and liaison with top management is performed adequately. 9(15.0%) said that the task is performed inadequately. 8(13.3%) said that is performed Excellently, while only 4(6.7%) said that it is not performed at all.
- ❖ It was found that out of total 60 respondents 51(85.0%) respondents said that Creating, Development Motivation in line managers is performed adequately. 5(8.3%) said that the task is performed inadequately. 2(3.3%) said that is performed Excellently, while 2(3.3%) said that it is not performed at all.
- ❖ It was found that out of total 60 respondents 42(70.0%) respondents said that Strengthening the HRD climate through HRD system is performed adequately. 8(13.3%) said that the task is performed inadequately. 7(11.7%) said that is performed Excellently, while 3(5.0%) said that it is not performed at all.
- ❖ It was found that out of total 60 respondents 42(70.0%) respondents said that Directing HRD efforts to Goals and strategies of the organisation is performed adequately. 9(15.0%) said that is performed Excellently. 7(11.7%) said that the task is performed inadequately, while 2(3.3%) said that it is not performed at all.

- ❖ It was found that out of total 60 respondents 45(75.0%) respondents said that Monitoring HRD Implementation HRD is performed Excellently. 7(11.7%) said that is performed inadequately. 5(8.3%) said that the task is performed inadequately, while 3(5.0%) said that it is not performed at all.

- ❖ It was found that out of total 60 respondents 39(65.0%) respondents said that the Monitoring HRD Implementation HRD is performed adequately. 7(11.7%) said that is performed Excellently, 12(20.0%) said that the task is performed inadequately while 2(3.3%) said that it is not performed at all. .

- ❖ It was found that out of total 60 respondents 31(51.8%) respondents said that HRD Professional Knowledge competence adequately. 20(33.3%) said that they have this competence. 8(13.3%) said that they have this competence in abundance, while 1(1.7%) said that it needs to be develop yet.

- ❖ It was found that out of total 60 respondents 27(45.0%) respondents said that HRD Professional skill adequately. 21(35.0%) said that they have this competence. 12(20.0%) said that they have this competence in abundance.

- ❖ It was found that out of total 60 respondents 29(48.3%) respondents said that they have Personal Attitude and Values adequately. 10(16.7%) said that they have this competence, while 21(35.0%) said that they have this competence in abundance.

- ❖ It was found that out of total 60 respondents 32(53.3%) respondents said that their Productivity is to a moderate extent. 27(45.0%) said

that they have it to a great extent, while, 1(1.7%) said that it to a very great extent.

- ❖ It was found that there is positive correlation between Age and HRD Philosophy. 78 percent of respondents said that it performed high in the organisation, 21.7 percent of respondents said that it is low performed in the organisation.
- ❖ It was found that there is strong correlation between Age and Inspiring Unions and Association. 80 percent of respondents said that it performed high in the organisation, while 20 percent said that it is low performed in the organisation.
- ❖ It was found that there is positive correlation between Age and Human Process Research. 76.7 percent of respondents said that it performed high in the organisation, while 23.3 percent of respondents said that it is low performed in the organisation.
- ❖ It was found that there is positive correlation between the education and monitoring the implementation. 86.7% of respondents said that it is high performed, while 13.3 percent of respondents said that it is low performed.

Desai K. (2001) in his study of HRD Knowledge, Attitudes and Practice with reference to Industrial Relations, Productivity and Interpersonal Trust. The Major findings are as follows:

- ❖ 59.6% of the total respondents feel that the task of Human Process Research is Adequately Performed. 90.5% of the respondents from the MBA/MPM category feel that this task is Adequately Performed. 9.5% of the same category rates this task as Excellently Performed. 25% of

the respondents with IRPM/PGHRD/B.Com educational qualifications rate it as adequately performed.

- ❖ 67.3% of the respondents feel that other HRD tasks are Adequately Performed. 5% of the IRPM/PGHRD/B.Com respondents feel that the task is inadequately performed. 45.5% of the respondents with MSW educational qualifications rate it as Excellently Performed.
- ❖ It can be referred from the above table that 51.9% of the total respondents rate the T2 task under the 5 categories. 81% of the MBA/MPM rate it under the 5 categories. While 80% of the IRMP/PGHRD/B.Com rate it under the 4 category.
- ❖ 61.5% of the total respondents feel that there exists external trust in their organization to a very great extent. 90.5% of the respondents from the MBA/MPM category again feel that there is very great extent of external trust in their organization. While 9.5% of the same category of respondents feels that there is external trust in organization to a great extent.
- ❖ 51.9% of the total respondents rate the task of Vertical Trust under 5.00. 75% of the respondents from the IRPM/PGHRD/B.Com group rate the task under 4.00. 4.8% of the MBA/MPM categories are this task under 3.00. 81% of the same group rate 3.00.
- ❖ 79.6% of the total respondents feel that the task of Strengthening HRD climate through HRD systems is Adequately Performed. 91.7% of the respondents from the Asst. Manager/Manager category feel that this task is Adequately Performed. 3% of the Executive/officer category rates this task as Inadequately Performed. 57.1% of the respondents with GM/VP and other educational qualifications rate it as Excellently Performed.

- ❖ 76.9% of the total respondents feel that the task of Monitoring HRD implementation is Adequately Performed. 78.8% of the respondents of from the Executive/officer designations feel that this task is Adequately Performed. 3% of the same category rates this task as Inadequately Performed. 57.1% of the respondents of the GM/VP & others category say that the task is excellently performed.

- ❖ 76.9% of the total respondents feel that there is Strengthening HRD climate through HRD climate through HRD systems is Adequately Performed. 88.2% of the respondents from the 21-30 yrs age feel that the task is Adequately Performed. While 4% of the 31-40 yrs age group rate it as Inadequately Performed. And 22.2% of the 51-60 yrs age group rate it as Excellently Performed.

- ❖ 51.9% of the total respondents feel that there is a Directing HRD effort to goals and strategies of the organization is Adequately Performed. 100% of the respondents from the 51-60 yrs age feel that the task is Inadequately Performed. While 44.4% of the 31-40 yrs age group rate it as Excellently Performed.

- ❖ 76.9% of the total respondents feel that there is Monitoring HRD implementation of the organization is Adequately Performed. 100% of the respondents from the 51-60 yrs age feel that the task is Inadequately Performed. While 28.8% of the 31-40 yrs age group rate it as Excellently Performed. And 100% of the 51-60 yrs age group rate it as Not at all performed.

- ❖ 56.6% of the total respondents feel that there is an Inspiring union and Associations is Not at all performed. 111.1% of the respondents from the 41-50 yrs age feel that the task is Not at all performed. While

32% of the 31-40 yrs age group rate it as Adequately Performed. And 22.2% of the 41-50 yrs age group rate it as Excellently Performed.

- ❖ 59.6% of the total respondents feel that there is Human process research is Adequately Performed. 100% of the respondents from the 51-60 yrs age feel that the task is Inadequately Performed. While 22.2% of the 41-50 yrs age group rate it as Excellently Performed.

Bhatt R. R. (2001) in her study of HRD Knowledge, Attitude and Practice with reference to Industrial Relations, Productivity and Managerial Roles. The major findings are follows:

- ❖ Based on the study, we can conclude that the task of HRD philosophy and liaison is adequately performed by HRD functionaries. 64% of the respondents feel that the task of inspiring unions and associations is adequately performed and 27.3% respondents within 21-30 years of age agree to that, this activity is being performed well in their organisation. One of the reasons could be the awareness on the part of management and enlightenment amongst the workers.
- ❖ The study shows that there is correlation between strong association between age and the task of inspiring unions and association. 47.3% of the respondents feel that the human process research is inadequately performed in their organisation. This could be on account of lack of resources and time constraint on part of management.
- ❖ 60% of the respondents between the age group of 21-50 feel that they have a say in personnel policies.
- ❖ There is a strong association between age and its influence on personnel policies. It can be further inferred that respondents in the

age group of 21-30 and 31-40 are able to perform this task efficiently because they are young enthusiastic and ambitious.

- ❖ HRD professionals between the age group of 21-50 years i.e. 49.1% respondents feel that they have HRD professional knowledge adequately. Yet respondents between 51-60 years of age have the knowledge but are trying to improve upon it and update themselves.
- ❖ 50.9% respondents feel that they have adequate HRD professional skills, yet they aspire for improving their performance through sharpen skills. The study shows that there is perfect relation between the age and personal attitudes and values.
- ❖ Irrespective of the designation all the employees feel that the task of strengthening the HRD climate is the prime goal of the HRD functionaries.
- ❖ 65.5% of the respondents feel that all their efforts are directed towards attainment of goals and strategies of the organisation.
- ❖ Respondents of junior and senior level designation feel that monitoring of HRD implementation is being inadequately done, while 18.2% feel that it is excellently done in their organisations.
- ❖ The data shows that activity of inspiring unions and associations is being adequately performed at all levels of designation.
- ❖ 40% of the respondents feel that human process research activity is inadequately performed in the organisation. Out of the total available responses it was found that the senior level designated people found it to be inadequately performed.

- ❖ 25.5% and 23.6% respondents from middle and junior level respectively feel that human relations are harmonious in their organisations, whereas equal numbers of respondents from all the three cadres are of the opinion that IR is harmonious to a moderate.
- ❖ Designation of the respondents at times does facilitate in performing the managerial roles effectively. The designation plays an important role in policy formulation, goal setting, liaison client management, culture building etc.
- ❖ There is a significant association between monthly income and liaison with top management. 40% within income range of 10000-20000 feel that the function is adequately performed.
- ❖ 65% of the total respondents are of the opinion that HRD efforts are directed to achievement of goals and strategies of the organisation. 9.1% with lower income range feel that it is inadequately performed.
- ❖ Educational qualification has a great impact on the study because only HRD functionaries having sound knowledge of the subject field were included in the sample size.
- ❖ 60% of the respondents feel that the task of HRD philosophy and liaison with top management is adequately performed in their organisation.

Shroff M. V. (2001) in his study of HRD Knowledge, Attitudes Practice with reference to Industrial Relations, Productivity and Leadership styles. The major findings are as follows:

- ❖ Majority of 71(94.67%) respondents of various age groups believes that HRD PHILOSOPHY AND LIAISON WITH TOP MANAGEMENT is followed at higher level in their organisation.
- ❖ Findings reveals that only 1(1.33%) respondent of age group less than 31 years believes that activity of CREATING DEVELOPMENT MOTIVATION IN LINE managers is followed at lower level.
- ❖ No respondents were found to be in the age group of below 51 years, in reference to STRENGTHENING HRD CLIMATE through HRD sub-systems is followed at lower level.
- ❖ Majority of respondents for i.e. 29(38.6%) responding to DIRECTING HRD EFFORTS at higher level fall in the age group 31-40 years.
- ❖ Regarding INSPIRING UNION AND ASSOCIATION 30(40.00%) respondents belonging to the age group between 31-40 years have responded it at higher level.
- ❖ Only 1(1.33%) respondent belonging to the age group of 50 years and above have responded to HUMAN PROCESS RESEARCH is followed at lower level.
- ❖ Influencing personal policy is respondents at higher level by 29(38.67%) respondents belong in to age group of 31-40 years.
- ❖ Majority of respondents i.e. 62(82.67%) of various age groups have responded to OTHER HRD ACTIVITIES at higher level.

- ❖ In reference to HRD PROFESSIONAL KNOWLEDGE it is seen that only 1(1.33%) respondents belonging to the age group 41-50 years have responded to lower level.
- ❖ With regard to HRD PROFESSIONAL SKILLS 31(41.33%) respondents out of 75 respondents, belonging to age group 31 to 40 years have responded to higher level.
- ❖ Majority of 71(94.67%) respondents belonging to various age groups have responded to higher level of PERSONAL ATTITUDES AND VALUES.
- ❖ From the present study it is found that 4(05.33%) respondents of Non-Technical education groups believes that HRD ACTIVITIES, TASK are followed at lower level.
- ❖ Majority of 61(81.33%) respondents of technical education groups believes that HRD PHILOSOPHY AND LIAISON WITH TOP MANAGEMENT is followed at higher level.
- ❖ Findings reveals that only 3(4.00%) respondent of Non-Technical education group believes that activity of CREATING DEVELOPMENT MOTIVATION IN LINE managers is followed at lower level.
- ❖ 1(1.33%) respondent were found to be in the Non-technical education group, in reference to STRENGTHENING HRD CLIMATE through HRD sub-systems is followed at lower level.
- ❖ Majority of respondents i.e. 58(77.33%) responding to DIRECTING HRD EFFORTS at higher level fall in the Technical education group.

- ❖ Regarding INSPIRING UNION AND ASSOCIATION 61(81.33%) respondents belong to the Technical education group have responded it at higher level.
- ❖ With regard to HRD PROFESSIONAL SKILLS 31(41.33%) respondents out of 75 respondents, belonging to age group 31 to 40 years have responded to higher level.
- ❖ Majority of 71(94.67%) respondents belonging to various age groups have responded to higher level of PERSONAL ATTITUDES AND VALUES.
- ❖ From the present study it is found that 4(05.33%) respondents of Non-Technical education groups believes that HRD ACTIVITIES, TASK are followed at higher level.

STUDIES ON ORGANIZATIONAL EFFECTIVENESS:

There is, at present, no singular, parsimonious model or theory of organizational effectiveness. The "Classic" literature examines Organizational Effectiveness in terms of goals (Cyert and March, 1963, Prince 1968), metaphors (Weick, 1977), and processes (Steers, 1977). This list could be expanded easily, if that were a useful activity. However, the very existence of multiple models of Organizational Effectiveness is likely only reflective of the multiple ideologies and vies in organizations extent in the field. Indeed the use of the world model is at best misleading because that literature does not generally provide well-specified models, but tentative and loosely constructed conceptualisations of Organizational Effectiveness and / or its determinants. Each is so general in its level of specifications as to be of limited value in the deductive derivations of testable hypothesis.

The absence of strong theory has nurtured, ad hoc, a theoretical and non-cumulative empirical study of Organizational Effectiveness. As might be

expected in the absence of a strong theory capable of producing a definitive set of testable hypothesis, ongoing, empirical work becomes characterized by a search for what we might call "Stylised Facts". Such searchers are like guided by the various implicit theories of the investigators and are often encouraged by the convenience of available field sites. This process results in a body of empirical observations, but is not likely to produce a cumulative body of support of any theory of Goodman and Penning, 1980, Hunnan and freeman, 1977, Steers, 1977 for similar analysis.

This does not imply that there are no regularities to the research efforts. Indeed it appears as though two classes of Organizational Effectiveness studies have evolved outcome studies and determinant studies = with the critical distinction being whether primary attention is on the dependent or the independent variable space. The former exemplified by the work of Seashore and Yuchtman, (1967) and Cameron (1978), typically takes as their charge the identification of the structure of Organizational Effectiveness. That is having collected a set of archival and /or perceptual data, rank reduction techniques are employed to determine the dimensions of effectiveness, the time period of effectiveness, and so on. The resultant findings, therefore, are likely to be sample specific.

The second class of studies appears principally riveted on the independent variable site (e.g. Glisson and Martin, 1979, Khandwala 1973) the generic form of this class appears to involve the following steps: (a) Choice of a single measure of effectiveness, (b) identification of a limited set of antecedent variable, (c) determination of the interrelatedness of the antecedent variable in high and low effectiveness organization. Such approaches usually have a loosely constructed framework about the relationship between the independent and the dependent Organizational Effectiveness variable. The models generally are not well specified with a careful delineation of exogenous and endogenous variables. The resultant findings are not particularly robust or generalized.

Hence, it is not likely that there will be convergence on a single theory of Organizational Effectiveness. Organizational Effectiveness may be a unique concept within organizational theory because its definition is particularly sensitive to value considerations. Some have argued that member's satisfaction (Argyris, 1964) or societal benefits (Friedlander and Pickle, 1968) should be included in the definition of the Organizational Effectiveness. Others (Penning and Goodman, 1977) have argued that within a given organization, the dominant coalition would specify the meaning of the Organizational Effectiveness. This however is simply another reflection of the value statements of the authors. Given that there are different constituencies with different values about what constitutes Organizational Effectiveness, there is likely to be little convergence on the meaning of effectiveness.

Hence, rather than continuing attempts to test general theories of Organizational Effectiveness, we need to concentrate on in-depth micro studies of specific organizational outcomes. Scott (1977) argues this point as follows: "We should not seek explanations of Organizational Effectiveness is general since it is not clear to what if anything the concept refers. Rather we should attempt to develop and test more precise predictions relating particular measures of effectiveness to particular features of the organization or the system of organization. He illustrates this argument in his own research by testing hypothesis about casual determinants of morality due to a specific type of surgery rather than examining some general notion of hospital effectiveness. Such a change in the focus has several consequences:

- We reject the need to search for a general Organizational Effectiveness construct space to provide the basis for the right set of effectiveness measures.
- Rather, we see the selection of the dependent variables as somewhat arbitrary. The selection may reflect the tests of the researchers, some central topic in the literature or the – choice of some construct space.

- The principal task is to specify a precise model that explains the observed variability in the selected dependent variable. This "Fine Grained model" should consider both exogenous (outside organizational control) and endogenous (within organizational control) independent variables.
- The model needs to be tested as rigorously as the data and sample allows.

The most obvious result of this change in focus is the acquisition of detailed knowledge of particular independent dependent variable linkages, rather than of the overall effectiveness of some organization. For e.g. we may learn what causes differences in crew level productivity in the underground bituminous coal industry.

A direct corollary of this approach is that it is likely that different models, considering of different casual variables, will be necessary for different outcomes. The ultimate result of such a series of studies may be the discovery of stylised facts across either disparate organizations or contexts. It is the emergence of these empirical truths that are likely to then provide us with the "Stuff" to build general theories.

Hence, the final thesis, namely, there should be a moratorium on overall studies of Organizational Effectiveness. The study of Organizational Effectiveness in the molar sense does not produce a tractable research problem. It is the unlikely, given the current level of theoretical sophistication in organizational theory, that an adequate theory of effectiveness is attainable. It is also unlikely that any molar study of Organizational Effectiveness can be conducted given the costs required for generating the appropriate sample, instrumentation and analytical technique.

N.A. JANS AND J.M. FRAZER JANS (1989)

Both of them studied the relationship between organizational effectiveness and the perceived degree of bureaucracy and the priority given to Human resources management. The sample was drawn from the Australian public sector and broader of common wealth agency. The data collected supported the hypotheses of the researcher of that organizations which gives high priority to the HRM functions are likely to be more effective than those whose cultures gives low-level of support to Human resource management. The data collected also support the second hypothesis of the researchers of that organizations that are hierarchical in their working arrangements are less likely to be effective than those which are non-institutionalised hierarchical. Most organizations surveyed apparently did not give with high priority to HRM functions, particularly regarding the lower levels in the organization studies have shown that organization which encourages work related and person, centred values, organizations effectiveness is better in such organizations. Organizational effectiveness is seen in terms of the effectiveness of the organization in meeting the need of both its internal and external customers.

The 1960s and early 1970s saw a proliferating of Organizational Effectiveness studies A review of there studies identified thirty different criteria – all purporting to measure "organisational effectiveness".

ORGANISATIONAL EFFECTIVENESS CRITERIA			
1.	Overall effectiveness	16.	Goal census
2.	Productivity	17.	Internalisation of organization goals
3.	Efficiency	18.	Role and norm congruence
4.	Profit	19.	Managerial interpersonal skill
5.	Quality	20.	Managerial task skill
6.	Accidents	21.	Information, management and communication

7.	Growth	22.	Readiness
8.	Absenteeism	23.	Utilization of Environment
9.	Turnover	24.	Evaluation of external entities
10.	Job satisfaction	25.	Stability
11.	Motivation	26.	Value and human resources
12.	Morale	27.	Participation and shared influence
13.	Control	28.	Training and development emphasis
14.	Conflict / cohesion	29.	Achievement emphasis
15.	Flexibility / adaptation	30.	Planning and Goal setting

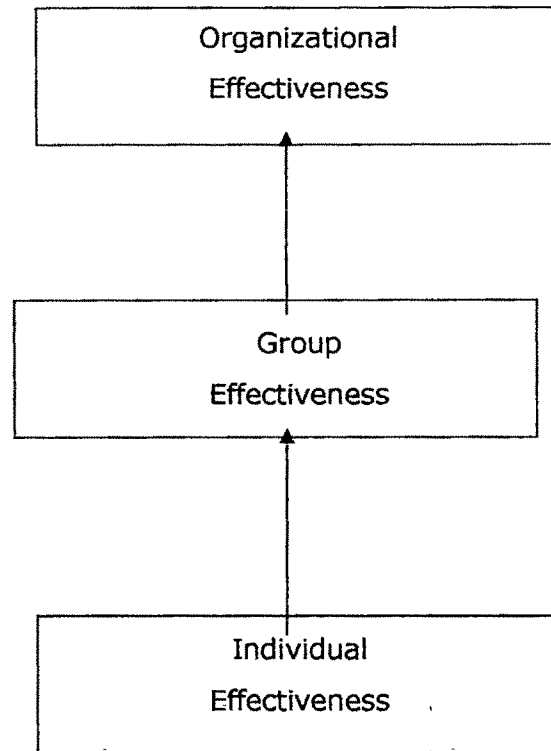
Source: Organization Theory; Stephen S. Robbins

The fact that few studies used multiple criteria and that the criteria themselves ranged from full general measures such as quality and morale to more specific factors such as accidents rates and absenteeism certainly lead to the conclusion that organizational effectiveness means different things to different people.

Steers, has reviewed seventeenth different approaches to assessing Organizational Effectiveness and found a general absence of agreement among them. The four top ranking evaluation criteria in his study are adaptability, flexibility, productivity, job satisfaction and profitability. Most surprisingly, 'survival' and 'growth' are least important factors in his study. Steers reached to the conclusion that there is a little agreement among analysts concerning what criteria should be used to assess current levels of effectiveness. If the search was to find a single universal criterion of OE than disappointment is understandable.

PERSPECTIVES ON EFFECTIVENESS:

David Lawless highlights the importance of three different perspective of effectiveness. They are individual, groups and organizational effectiveness.



The perspective of individual effectiveness throws light on the task performance of the members of the organization. This performance is routinely assessed through evaluation techniques that become the basic for pay rises, promotions and other positive rewards in the organization.

Organization consists of individuals and groups and therefore Organizational Effectiveness consists of both individual and group effectiveness. But one point for caution Organizational Effectiveness may be more than the sum of individual and group effectiveness. Through synergistic efforts organizations are to obtain higher levels of performance than the sum of their parts.

Lawless, however, contends that individual-effectiveness does not necessarily culture group effectiveness, nor can it be said that group effectiveness is the sum of individual effectiveness.

Organizational effectiveness is the result of a blend of vast number of variables including technology, environmental constraints, personal competence of the employees and the innovative abilities of the management etc. all causes of individual effectiveness include physical attributes, personality traits, motivation and morale etc. The causes of group effectiveness comprise of leadership, communication and socialization etc.

APPROACHES TO ORGANIZATIONAL EFFECTIVENESS:

There are four broad approaches to organizational effectiveness.

- a) Goal attainment approach
- b) System approach
- c) Strategic constituencies approach
- d) Behavioural approach

(A) The Goal Attainment Approach

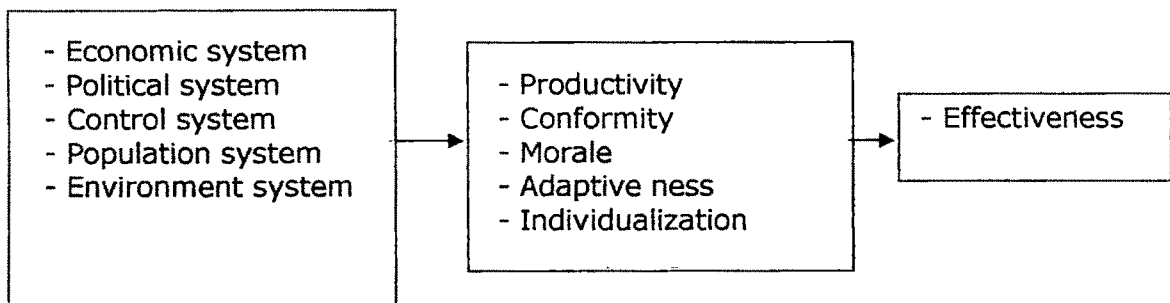
Goal attainment is probably the most widely used criterion of organizational effectiveness. In the words of an early and influential practitioner and writer in management. The degree of accomplishment indicates the degree of effectiveness. Organizations effectiveness is appraised in terms of the accomplishment of ends rather than means. The goal approach has wide spread commonsense and practical appeal.

Jaures L. Price - A conceptual studies

Price has reviewed and analysed fifty studies and developed a model comprising of a dependent variable called 'effectiveness' and five interviewing independent variables viz. productivity, morale, conformity, adoptive ness and institutionalisation. Price adheres to a goal-oriented approach and he provides an inventory of propositions outlining the

determinants of organizational effectiveness as defined by their level of attainment of goal. In his model there are five systems.

- ❖ Economic system
- ❖ Political system (internal & external)
- ❖ Control system
- ❖ Population system
- ❖ Environment system



Price provides a comprehensive list of propositions derived from the careful review of the literature on organizational effectiveness.

- 1) Organization, which have a high degree of division of labour are more likely to have a high degree of effectiveness.
- 2) Organisations, which have a high degree of vertical communications, are more likely to have a high degree of effectiveness.
- 3) Organisations, which have a high degree of autonomy, are more likely to have a high degree of effectiveness.

Mahoney and Weitzel – An empirical study

According to Mahoney and Weitzel, there are three sets of criteria in determining organizational effectiveness viz: ultimate, intermediate and immediate. The 'ultimate criterion' is the achievement of final goal and the "intermediate criterion" and the "immediate criterion" are the midrange criteria that are generally applied to the short-run assessment of effectiveness. Their primary emphasis was on memorable midrange organisational criteria, which are used as short run substitutes for the more subjective long run criteria for organizational effectiveness.

They have developed models for two types of organizations –general business organizations, and research and development organizational units. These scholars have identified twenty-four variables that are useful in predicting effectiveness. The important variables in business organization are productivity, support and utilization, planning, reliability and initiation. The important variables for research and development were reliability, co-operation and development. Business organization has ultimate goal of profitability, productivity and efficiency and research and development's goals is the professional competence and development.

(B) SYSTEMS APPROACH TO ORGANIZATION EFFECTIVENESS

A system approach to organizational effectiveness implies that organizations are made up of interrelated and interacting elements. The effectiveness of the total system is dependent on the performance of all the sub-part. The open-system perspective emphasizes the inter-relationships between various part of an organization and its environment as they jointly influence effectiveness.

The system view aims at such factors as relations with environment to assure continued receipt of inputs and positive acceptance of output, flexibility of response of the organization to changing environment the efficiency with which the transformation of takes place in the organization, the level of employee job satisfaction ad the classify of communication etc manager as such have a responsibility to understand the nature of their environment and to set realistic goals that accommodate the environment. The more effective organizations then are those that successfully adopt structure, work technologies, policies with the changing environment to facilitate the goal attainment.

(C) THE STRATEGIC CONSTITUENCIES APPROACH

Strategic contingencies approach considers the interdependencies among different sub-systems in the organization but it is not concerned with the entire environment.

To see the effectiveness through this approach certain steps should follow:

1. Management should identify all integral constituencies in the environment on which survival of the organization depends.
2. The relative power of each constituency should be evaluated by considering the degree of dependence of the organization on them.
3. Identify the expectations those constituencies hold for the organization.
4. Management should then arrange these constituencies in order of their power and expectations.
5. Organizational effectiveness then would be assessed in terms of its ability to satisfy their constituencies that are ranked.

(D) BEHAVIOURAL APPROACH TO ORGANIZATIONAL EFFECTIVENESS

It emphasizes the role of individual behaviour as it affected organizational success or failure when employees agree with the objectives of the organization then it results in perfect integration of the individual and organizational goal. This leads to high degree of organizational effectiveness.

Rensis Likert on Organizational Effectiveness

Likert a famous social scientist has identified three variables viz

- ✓ Casual variables
- ✓ Interventions variables
- ✓ Output or end result variable

According to him three variables determine effectiveness.

A study by Glisson and Martion (1979) examined the effectiveness of human service organization. 30 organizations dispensing different human services (drug abuse, family counselling, welfare, mental health) participation in the

study. 408 workers filled out questioning measuring the organizational variables. Productivity was measured by the average number of different clients served by each line workers and efficiency was the member of clients served per week, per \$ 10,000 annual budget. The principal findings of the study were that

- A). Centralization is positively associated with productivity and efficiency;
- B). Formalization has a marginal negative relationship with productivity and efficiency.
- C). Formalization is positively associated with centralization.

P. khandawalla reports that an organization needs to be assessed not only in terms of its performance vis-à-vis its specific goals, or the satisfaction of its various stake holders, or its viability as a system, but also in terms of such criteria, as the extent to which it has upgraded technology or pioneered new technology, penetrated in to foreign markets, pioneered products previously imported, innovated strategically important products and contributed to community and Human resource development.

Ogunriude and Raef Olakere (2001) have conducted a study on 'strategic Human Resources Planning and Organizational Effectiveness: An empirical analysis and recommendations.

This study examined the extent informal comprehensive strategic human resource planning. The research has found whether or not more comprehensive HR strategies were related to higher performance and efficiency. The researcher has analyzed and compared firm performance before and after Implementing formal Human Resources Planning in terms of organizational effectiveness.

The results of the research partial supported for hypotheses. Corporations engaged in HR strategic planning performed better than those who did not. It

was also found that 54% of the companies surveyed indicated that more senior executives were participating in long-range planning than in the past.

The research conducted by Minis and William Carey (2001) on "The relationship between measures of perceived organizational effectiveness and actual financial performance in the medical group practice environment."

The research studies the relationship of perceived organizational effectiveness and actual financial performance in medical practice organizations. Due to the high constituent pressures on the physician practice industry, the research inclusion effort to measure the perceived levels of constituency pressures on the managers and considered the impact on performance and effectiveness. Further, the laws of control of the managers are considered as a factor that may moderate the organizational effectiveness and performance.

The study conducted by V.V. Subramanghsarma (1997) "Leadership style and effectiveness of organizational process." The study included 210 executives of public enterprises of Andhra Pradesh.

The author concluded that:

- 1) The organizational effectiveness is influenced by the decision making process in the selected public enterprises. Scarce resource, Government policies, union interventions, competition from private sector and implications of public policy are the key factors influencing the decision-making process, flexibility, quickness, fairness and acceptance of the decisions are manifested by the top management action. Delay in decisions, distortions in communication of decisions, change in the top management structure violation of their own policies by the top management are said to have been exercising adverse influence on the organizational effectiveness.

- 2) There is considerable evidence to state that in selected public enterprises lack of flexibility and limited adaptability with regards to corporate policies and procedures have resulted in native influence on organizational effectiveness.
- 3) In selected public enterprises integration of activities, logical organization of tasks and inter departmental exchange of information are not given adequate emphasis in the organization processor. Here the role of top management in the co-ordination process is very important.
- 4) The goal setting has to be effective Lack of perception regarding fairness and reasonableness of goals are the resources for inadequate participation and commitment for the attainment of goals.
- 5) The analysis of impact of characteristics of communication on organisational effectiveness has identified serious lapses and bottlenecks like lack of time sense and technical, physical and personality barriers.
- 6) Management control in selected public enterprises is found to be ambiguous and least effective in improving the organizational effectiveness. There a wide gap between perceived controls and existing controls.
- 7) The present organizational arrangements for training and development are not adequate for improving the organizational effectiveness. Training goals, methods, contents are not oriented towards the skills requirements of the organization.

The study highlighted the inter-relationship among leadership styles, organizational characteristics and organizational effectiveness.

Phadke (2002) A study of organizational culture, organizational effectiveness and productive study. He has studied 70 managers and officers of G.S.F.C., Baroda. He concluded that:

- 1) The Legitimation dimension of organizational effectiveness is positively correlated with organizational commitment dimension of organizational effectiveness.
- 2) Job involvement dimension of organization effectiveness is positively correlated with need for independence and organizational commitment dimension of organizational effectiveness.
- 3) The job satisfaction (organization as a whole) is positively correlated with job satisfaction and job satisfaction (work as a whole) dimensions of organizational effectiveness.

He concluded that the various dimensions of organizational effectiveness like consensus, job involvement organizational attachment, job satisfaction are positively correlated with various dimensions of organizational culture, like conventional, achievement, competitive and perfectionist.

Khanna (2002) has studied 'A study of organizational environment with Reference to organizational learning capacity, organizational Health and organizational effectiveness. She has studied 70 executives of the NDDB Anand. The findings of organization effectiveness dimensions are reflected that,

- 1) Communication: 27.9% respondents are on lower side and 58.8% are on the higher side and 13.2% are on the moderate side.
- 2) HRD orientation and practice: 32.4% respondents are on lower side and 50% are on higher side and 17.6% are on the moderate side.
- 3) Team orientation: 54% respondents are on lower side 32.4% are on higher side and 13.2% are on the moderate side.

- 4) Organizational value: 44% respondents are on lower side 44% are on higher side and 12% are on the moderate side.
- 5) Productivity: 45.6% respondents are on lower side and 48.5% are on higher side and 5.9% are on the moderate side.
- 6) Planning & goal setting: 75% respondents are on lower side 2.5% are on higher sides.
- 7) Flexibility and innovation: 54.4% respondents are on lower side, 45.6% are on higher side.
- 8) Team work and cohesion: 75% respondents are on lower side, 2.5% are on higher side.
- 9) Commitment: 72.1% respondents are on lower side and 27.9% are on higher side.
- 10) Independent: 91.2% respondents are on lower side and 8.8 are on higher side.

The finding suggests that team orientation, planning and goal setting, independence are necessary for organizational-effective.

The study conducted by Pathak (2002) on "A study of HRD sub-systems with reference to industrial relations and organizational effectiveness." She studied 70 HR functionaries of manufacturing sector and service sector. She concluded that majority of the respondents are from service category and are willing to do their work will out much expectations of any rewards. A large majority of the respondents agree that they make efforts to make themselves more effective in their own work, which may lead to Organizational Effectiveness. A large number of respondents feel that

functioning of HRD sub system in the organization helps to create and maintain better harmonious relations and organizational effectiveness.

Research study by Seashore and Yachtsman

Seashore and Yachtsman at Michigan University have identified ten effectiveness dimensions in their study of seventy-five insurance agencies. They label their theory as "a systems resource approach to organizational effectiveness." The resource leads to competition among organizations. They visualize the effectiveness of organizations in term of bargaining position that is attained between the competency organizations. According to them, the key problem in assessment of effectiveness is identification of the competitive dimensions in inter organizational transactions.

Seashore and Yachtsman conclude "the highest level of organizational effectiveness itself because of depletion of its resource producing environment or the devaluation of the result or because of stimulation of countervailing within that environment.

Georgopolous and Tannenbakm

These organizational scientists have empirically studied on organization the specialized in the delivery of retail merchandise. The concept of effectiveness subsumes the following three criteria.

- a) Organizational productivity
- b) Organizational flexibility in the form of successful adjustment to internal organizational changes and successful adaptation to externally induced changes.
- c) Absence of intra-organizational strain or tension and of conflicts between organization sub-groups.

The empirical findings are that "effective studies were more productive", lower in inter-group strain and conflicts and somewhat flexible there non-institutionalised effective stations.

Friedlander and Pickle:

In their study of ninety-seven firms, friedlander and pickle attempted to define the criteria of OE to reflect the interdependent relation of organization with the environment. Their concept of effectiveness was determined by the degree to which the needs of components were fulfilled in their transactions with the organization. Their empirical work reveals that only in a moderate number of cases both societal and employee needs are fulfilled. Organizations find it difficult to fulfil simultaneously the variety of demands made upon them.

Paul Mott, another researcher, noted that the criteria for the OE consist of production, adaptability, and flexibility and his main concentration is on the internal oriented view of effectiveness.

Schein

A notable social scientist, Edger Schein, suggests that the maintenance of effectiveness is made possible through the adaptive coping cycle. In his words, the sequence of activities... Process which begin with some change in some part of the internal or external environment and end with more adaptive, dynamic equilibrium for dealing with change. Adaptive coping cycle has the following six stages :

- a) Sensing a change in some part of internal or external environment.
- b) Importing the relevant information about the change into those parts of the organization that can act upon it.
- c) Changing production or conversion process inside the organization according to information obtained.

- d) Stabilizing internal changes while reducing or managing undesired products.
- e) Exporting new services, products etc., that are more in the line with the originally perceived changes in the environment.
- f) Obtaining feedback on the success of changes through further sensing of the state of external environment and the degree of integration of the external environment.

Schein, thus, contends that the effectiveness of an organization is either maintained or lost depending on the sensing and use of feedback from the environment. In one study by Caplan the use of four variables to measure effectiveness of an organization is suggested. The variables are stability, integration, voluntarism and achievement.

Prasad L.B. throws light on the three subsystems to determine the degree of effectiveness in an organization. These subsystems are the economic subsystems, technical subsystems and social subsystems. He concludes that to maintain the higher level of effectiveness equilibrium of the levels of effectiveness of all the three subsystems must be achieved. But organization can be effective reasonably in either one or two subsystems without necessarily jeopardizing or affecting its total effectiveness.

Problems with the systems approach. Though systems approach to effectiveness has a definite edge over goal attainment approach in the sense organizations give due respect to the environment to survive; it is not without problems of black spots.

- ❖ 1. Flexibility of response to environment and such qualitative variables defy appropriate measurement.
- 2. A second negative point of systems approach is that the focus of systems approach is on means rather than ends.

OUTCOMES APPROACHES TO ORGANISATIONAL EFFECTIVENESS

(Seashore and Yutchman 1967)

Performance Factors in Insurance-Agencies

Factors	Assigned Names
I	Business Volume
II	Production Cost
III	New Member productivity
IV	Youthfulness of members
V	Business Mix
VI	Manpower Growth
VII	Management Emphasis
VIII	Maintenance Cost
IX	Member productivity
X	Market penetration

DETERMINANT APPROACHES TO ORGANIZATION EFFECTIVENESS:

1. Profitability
2. Level of Analysis
3. Linkages of determinants and OE indicators
4. Time Frame

Dhanwaney L. (1997) "A study of HRD, K.A.P. in relation to Organisation Effectiveness which was carried out from large scale organisations in Baroda, Bharuch and Panchmahal Districts.

- ❖ The majority of female respondents have low HRD philosophy and liaison with top management. There are more male respondents who have low level of motivation while majority of female respondents have medium level of motivation.

- ❖ With regard to organisational effectiveness in terms of work values, it is found that organisations with low HRD activities are having low organisation effectiveness in terms of work values while organisations with high HRD activities are found to have high level of work values.
- ❖ As far as organisational effectiveness in terms of initiative is concerned it is found that in organisations with high HRD activities ie 25% the Organisation Effectiveness in terms of level of initiative is low, while in organisations with medium HRD activities ie 80.9% Organisation Effectiveness in terms of initiative is at a high level.
- ❖ As regards the Organisation Effectiveness in terms of job commitment, it is found that in organisations with medium HRD activities ie 30.9% the level of job commitment is at a low level while in organisations having high HRD activities ie 17.9% the level of job commitment was high.
- ❖ As far as Organisation Effectiveness in terms of belongingness is concerned, it is found that in organisations where the HRD activities are at low level ie 24% the level of belongingness is also low while in organisations with high level of HRD activities ie 21.4% the level of belongingness is also high.
- ❖ With regard to Organisation Effectiveness in terms of level of job satisfaction it is found that with organisations having low HRD activities ie 24.0% the level of job satisfaction is at a low level while organisations with high HRD activities ie 14% the level of job satisfaction is also found to be high.
- ❖ Majority of respondents below the age of 30 years ie 17.4% perceive Organisation Effectiveness in terms of work values, initiative, job commitment, belongingness, job satisfaction at a low level. While

majority of the high age respondents ie 18.8% perceive it at a high level.

- ❖ With regard to Organisation Effectiveness in terms of work values, initiative, job commitment, belongingness and job satisfaction majority of the respondents from the low, middle and high income groups ie 50%, 81.8% and 73.6% view Organisation Effectiveness at a medium level, while a majority of low income level ie 20% view Organisation Effectiveness at a high level.
- ❖ Majority of the respondents from technical as well non-technical education background ie 80% and 73.8% view Organisation Effectiveness at a medium level, while majority of respondents with non-technical educational background ie 14.6% view it at a high level.
- ❖ Majority of the respondents from the low experience group have a low view of Organisation Effectiveness while the high experience group ie 30% view it at a high level.

STUDIES ON INDUSTRIAL RELATIONS

Indian industry has come of age – in technology. But in the management of industrial relations we are still way behind. Today this is the single most serious drag on our country's industrial development, both in our Public and Private Sectors Eilbirt (1959).

The difficulties in achieving industrial relations arise largely from adherence to concepts and objectives, which are becoming less valid than hitherto for an industrial and democratic society and therefore, needs substantial re-adjustment. Industrial relations policy in most organizations continues to be based either on traditional non-industrial attitudes or an ad-hoc incident-prone approach of viewing problems in isolation with the only objective of either avoidance or patch-up solutions Lutha Nair (1994).

As the experience in developed countries indicates, what is needed is a positive, continuing and promotional industrial relations policy, aimed at developing the human factor as an appreciating **"asset"** on a long-term basis. This challenge has to be faced by every one involved in an industrial organization **Lawrence. P. (1991)** we believe that organization should view industrial relations as either giving **"battle"** or purchasing **'peace and harmony'** at any price, but as a positive, dynamic and continuous activity of creative inter-action with rational perspective and organizational logic, supported by a well-designed institutional framework, for promoting effective inter-action towards achievement of the organizational objectives.

The term **"Industrial Relations"** is very frequently used without a specific perception of what the term involves both the concepts and operational terms. It is invariably equated with a description of conflicts between the employing authority and the organized employees in the organized sector. It lays stress often on disputes and conflict situations, which has to include a number of co-operational and collaborative areas of organized working. It is necessary therefore to outline a frame of objectives and definitions of industrial relations.

Any set of skills or specialization should have objectives outlined with reasonable and realistic precision. The objectives of industrial relations are required to be outlined to provide a standardized reference point as a part of any corporate policy. Where it is felt that no corporate policy is required, then of course, there is no need for policies of objectives in any areas of corporate management. In such an ad-hoc arrangement, the objectives of industrial relations have been viewed in over simplified terms as obtaining **"peace"** and **"harmonious"** working climate **JENNIFER JOY-MATHEWS, (1994).**

The industrial organizational environment is a dynamic one producing continuous differences, problems and tensions. To cite engineering example,

every production process involving the manufacture of a finished product in a machine, simultaneously process scrap. If management of scrap is not kept at the same tune as management of finished product, the scrap will overwhelm the process of finished product manufacture very soon. Similarly, when the human resource in an organization are engaged in generating finished products through their manual or intellectual efforts, they simultaneously produce a similar '**scrap**' of problems, which also require the same type of continuous processing as scrap management **Arun Monappa (1986)**.

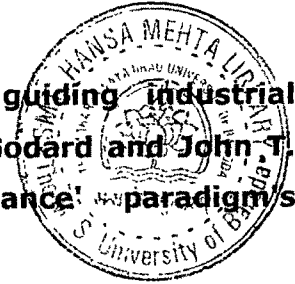
All this goes to show that the industrial process is not a harmonious or peaceful exercise as such, but a dynamic tension and conflict producing activity. These tensions and conflicts are not unnatural but normal in the tempo of industrial activity.

In such a reality context, the objectives of any industrial relations exercise are not to seek just peace and harmony, but performance under conditions of dynamism, tensions and conflicts. The emphasis is on performance and not on peace or harmony alone.

Industrial relations as organizational behaviour

Industrial relations are exercise in organizational relations between functional interest groups. Among all the human resources placed in a work organization, there are two types of identities. The basic identity is that the entire human resource in the organization is integrated because every role position at the lowest or smallest functional level in an organization has a chain link with the largest functional role of the Managing Director or Chairman in the organization. As far as the total organization is concerned, therefore, there is no rooming for any iron curtain or a "**we**" "**they**" outlook. **Grilstak (1979)**.

Kochan, Thomas A. (2000) On the paradigm guiding industrial relations theory and research: comment on John Godard and John T. Delaney, "Reflections on the 'high performance' paradigm's implications for industrial relations as a field".



In this study, Godard and Delaney raised important issues about both the positive and normative directions of research in the industrial relations field. However, two mistakes in their analysis have caused Godard and Delaney to miss the reasons behind the emergence of the "high performance paradigm" of research. They confuse normative and positive issues, and secondly, mistakenly argue that the move away from the study of collective bargaining indicates an equivalent neglect of worker interests for other concerns.

Erickson, Christopher L. Kuruvilla, Sarosh. (1998) Industrial relations system transformation.

The authors use two models from biological science--the evolutionary model of gradual adaptation, and the contrasting punctuated equilibrium theory that posits occasional periods of rapid, fundamental change punctuating longer periods of stability--to define industrial relations system "transformation" and explore its implications. An industrial relations system can be said to have undergone transformation, they argue, when the network of basic assumptions and principles underlying that system, or its "deep structure," is changed, and such change can occur either through gradual adaptation or through abrupt revolution. They apply this conceptual framework to industrial relations system changes in Sweden, South Africa, New Zealand, and the United States.

Frost, Ann C. (1997) The Role Of Local Unions In Workplace Restructuring: Evidence From The North American Integrated Steel Industry, Massachusetts Institute Of Technology.

Over the past decade and a half significant changes in the competitive environment have forced firms in the advanced industrial nations to fundamentally restructure. The first wave of this restructuring consisted largely of closing excess capacity and shedding labour. The second stage witnessed the movement towards high performance models of work organization, the hallmarks of which include decentralized decision making, flexibly deployed teams of multi-skilled workers, and worker involvement in problem solving. This second stage has produced considerable diversity across sites in how work is reorganized in some cases a virtuous cycle of change has produced positive outcomes for the various stakeholders of the firm. In others, meaningful restructuring is only partially accomplished or is blocked altogether.

The purpose of this study is to explain this variation. In contrast to traditional explanations that attribute such diversity to technology, institutions, or to the strategic choices of management, the strategies of labour are a central determinant of both the process of workplace change and of final outcomes experienced by the various stakeholders involved in the restructuring process and develop a typology of labour strategies that includes five distinct strategies and then illustrate how the pursuit of different strategies by four local unions influences the form of work organization and final outcomes affecting firms, workers and their unions. Where the local union is actively involved in the process of workplace restructuring, benefits accrue to the firm (higher productivity, better quality, lower cost), to workers (increased role in the governance of the workplace). Where the local union either obstructs change or merely acquiesces to management's proposed changes, outcomes tend to benefit the firm in the short run, make little difference to outcomes for workers, and lead to a marginalisation of the union at the workplace.

The setting for this research is the North American integrated steel industry and study two matched pairs of steel making facilities, two in Canada and two in the United States, that allow to control for a number of important competing explanations of workplace diversity. Drawing upon data gathered in over one hundred hours of interviews with representatives of plant management and the four local unions, document how local unions pursuing a range of strategies shape new forms of work organization. Based on the case study evidence, the study concludes by identifying the critical capabilities local unions require to pursue an interventionist strategy. These four capabilities include the ability to access and process knowledge regarding workplace reform to educate and mobilize the membership; to exert leverage vis a vis management; and to balance cooperation and conflict. This work contributes to the development of industrial relations theory in several important ways. First, the conceptualisation of five distinct labour strategies developed here adds clarity to our understanding of labour's actions, moving away from the traditional, but misleading, 'cooperative' and 'adversarial' continuum. Second, this work highlights the importance of understanding the critical ways in which differences in local unions' strategies and actions affect outcomes. Finally, this work integrates labour more fully into the strategic choice framework.

Rodgers And Arthur Ronald (1997) Industrial Relations Policies And Practices In The Republic Of Korea In A Time Of Rapid Change: The Influence Of American-Invested And Japanese-Invested Transnational Corporations, The University Of Wisconsin — Madison.

Modern Mexico has been ruled by a regime whose fundamental assumption comprised the 'Revolutionary Creed' and a theory of economic development by import-substitution industrialization. In this context, the relationship between the Federal government and the monetary industrial elite was permeated, even at times of cooperation, by mutual disdain and suspicion.

Since the mid-1980s, however, the relationship between the northern elite and the federal government has been changing increasingly becoming an alliance to transform the political, social and economic structures of the country.

This study provides an explanation for the rapprochement between the Monetary industrial elite and the federal government since the 1980s and argue that the emerging alliance between the most autonomous business elite in Mexico and the federal government results from two factors: the ideological convergence of the Monetary industrialists and the technocrats in power, and the elite's achievement in overcoming the economic crisis of the 1980s through the implementation of an alternative strategy of economic growth.

The monetary strategy of economic growth consists of a twofold approach: a short-term strategy that entails a favourable reduction of debt and the restructuring of the firm through the elimination of unproductive businesses and a long-term strategy that involves a transformation of the process of production through the implementation of programs aimed at increasing productivity and competitiveness of the firm, and at reorienting production to satisfy the demands of the market rather the designs of the firm. This long-term strategy is based on a vision of how the economy should work, and is introduced at the microeconomic level through a reorganization of industrial relations requiring a multi-skilled labour force dedicated to quality and service, a more flexible production process, and emphasis on technological innovation, and a network of subcontractors.

The monetary industrial elite was able to implement this alternative strategy of development because the monetary region already possessed the preconditions required for its implementation. These preconditions, embodied in the social foundations of Monterey's society, are an outcome of the culture of the region, which has been shaped over the years by the monetary

industrial elite through the institutionalisation of its ideology. The elite used religion and other social institutions such as parochial schools, recreational clubs, and firm unions to protect society from the influence of the 'Revolutionary Creed.'

Mcinnis And Stuart Peter (1996) Harnessing Confrontation: The Growth And Consolidation Of Industrial Legality In Canada, 1943-1950 (Management, Labour, Unions, Workplace Rights, And Queen's University At Kingston (Canada)

This study examines the critical years in which the Canadian industrial relations system assumed many of its lasting characteristics. Specifically, it explores the actions of management, unions, and the federal state under the exceptional conditions of the wartime 'command economy' and later, with the transition back to a peacetime footing. Frustrated with the inadequacy of existing collective bargaining legislation, and sensing that the period signalled a realignment in the labour-capital relationship, Canadian workers took advantage of special wartime conditions to press on their demands for basic workplace rights framed by a more equitable labour code. The result of this campaign was the establishment of a new legal framework, which defined the respective roles for all three groups over the next thirty years of particular importance, is an investigation of the ambivalent legacy achieved by the Canadian labour movement with its pursuit of the essential rights of free association and collective bargaining. Building on the intense workplace struggles of the war years, labour pushed federal authorities to support mandatory collective bargaining, compulsory wage deductions of union dues, finally entrenching these reforms under the Industrial Relations and Disputes Investigation Act (1948).

The underside of the triumphs entailed the increasing bureaucratisation of the union movement. The entrapment of workers in legalistic boundaries circumscribed labour's ability to respond effectively to the incursions of

ascendant capital, which often sought to counter these reforms and return to the less regulated era of pre-war labour-management relations. This investigation affords such an opportunity to learn how the dialectic between corporatism and militancy helped consolidate a new era of routine state intervention under the rubric of a new 'responsible' and 'realistic' unionism. As well, this study assesses the retrenchment of gender roles that followed the temporary breaking of such barriers during the wartime interregnum by evaluating policies excluding women from the secure, well-paid union jobs that men came to dominate following World War Two. This arrangement offered organized labour conditions of institutional permanency, but in turn confined unionists to a particular model of behaviour premised upon productivity bargaining and material consumption that formed the basis for the post-war compromise in Canada.

Clark, Carol L. (1996) The transformation of labour relations in Russian industry: the influence of regional factors in the iron and steel industry.

The author examines the role played by the economic geography of the Former Soviet Union in the evolution of labour relations in Russian Industry, using the iron and steel industry as a case study. More specifically, three regional factors are analysed as they affect enterprise economic strategies, organization, and management-labour relations: (1) the inherited industrial structure; (2) the degree of product specialization at the regional level; and (3) the level and sophistication of regional political and labour structures combined with the presence (or lack of same) of a "regional agenda." These factors are examined within the context of a model predicting several possible variants of post-communist labour relations at the enterprise level.

Rieble-Aubourg And Maria S. (1996) Institutions Of Vocational Education: The State, Business And Labour. A Comparison Between Germany And The United States, Indiana University.

In recent years, production patterns in advanced industrialized countries have shifted away from mass production to more flexible manufacturing strategies that depend on the availability of a highly skilled workforce. As a result, policy-makers have paid considerable attention to vocational education as a policy-instrument to upgrade workers' training and productivity. The purpose of this study is to analyse the determinants of state action, regarding vocational and training programs. In particular, compare the politics of policy-making concerning vocational education in the United States and Germany. Using an institutional approach, analyse how the configuration of existing institutions in the United States and Germany shape training policies at individual companies. Show that the capacity of the state authorities in the two countries to implement vocational educational programs varies considerably, despite the fact that both countries have a federal political system. In both countries, the federal government is relatively weak and the individual states possess considerable power, especially in regard to education. Nevertheless, Germany has a surplus of highly trained workers, and vocational education is considered a collective good, whereas in the U.S. skilled workers are in short supply, and skill is considered a privilege.

The analysis of the interviews and materials shows that explanations for the differences in vocational educational programs must be based on an understanding of: (1) how institutions such as labour unions and employer organizations interact with each other and with the state; (2) how the interests of labour unions in training programs differ in the two countries because of differences in how unions are organized (craft vs. industrial unions) and because of differences in industrial relations legislations ; and

finally, (3) how the interests of labour unions and workers are served by training programs.

Weathers And Martin Charles (1995) Transforming Labour: State And Employer Strategy In Postwar Japan, University Of California, Berkeley.

Japan's contemporary system of industrial relations is a product primarily of management strategies emphasizing national competitiveness through high labour productivity and offer four major propositions to explain how Japanese managers have overcome status and technical barriers, which historically impede innovation, labour management, and promoted productivity consciousness within organized labour. First, altered institutional arrangements of the early post-war era meant that major economic organizations became less reliant on direct state support and more responsive to market and social demands, yet remained dedicated to the national goals of economic development. Many leading figures in key private sector organizations (notably steel firms, management associations, and the peak employers association) were in fact trained as civil servants and regarded public service as their guiding principle. Second, this public service ethos, manifested in the commitment to national economic development, encouraged sweeping innovation in labour management practices while fostering to resolve or reject any infringement by unions on managerial prerogative. Third, labour management innovation and heightened manufacturing productivity was made possible by firms' extraordinary commitment to total organizational redesign, beginning with management itself and extending to production and the workforce. Thus managers strategically matched personnel practices to evolving technology while reshaping incentives to encourage enterprise consciousness among workers. Finally, managers and the peak employers association reshaped the dynamics of organized labour by promoting closely cooperative enterprise unions and adopting a hard line against independent industrial unionism. As a result, organised labour, like management regards devotion to high

productivity as a social obligation. The propositions are illustrated in case studies of the steel industry and the National Railways, and in examinations of wage bargaining and labour politics.

Shibata And Hiromichi (1995) Japanese And American Workplace Industrial Relations: Skill Formation, Communication, And Conflict Resolution, Cornell University.

This study examines whether American workplace industrial relations are approaching Japanese workplace industrial relations practices concerning skill formation, communication, and conflict resolution. The research at three Japanese unionised plants and three American unionised plants finds a lot of diversity within and across Japanese and American plants. However, the three Japanese plants have different basic characteristics as compared to the three American plants.

Workers at the three Japanese plants have many skills that are closely integrated with troubleshooting skills. Japanese maintenance workers spend more time on preventive maintenance than on breakdown maintenance. These skills and maintenance methods contribute to the high productivity at the Japanese plants. The skills of workers at the three American plants generally do not include extensive trouble shooting skills. American maintenance workers spend more time on breakdown maintenance than on preventive maintenance. These skills and maintenance methods have had a negative impact on the American plants.

The integrated skills of the Japanese workers are developed by assistant and first line supervisors. The separated skills of the American workers are formed with less organized systems. Job bids; workers' individual choice, seniority rules, and teams play important roles in the skill formation of the American workers.

Concerning workplace communication, the three Japanese plants do not have teams in which workers replace first line supervisors. Assistant and first line

supervisors play central roles of middle-up-down decision making at the Japanese plants. The two American researched plants have teams with few supervisors. However, the teams have not yet been matured. First line supervisors at the three American plants play weak roles in the top down decision-making system.

With regard to conflict resolution, the three Japanese plants have an informal and one-channel settlement procedure, which strongly depends on the assistant and first line supervisors. The three American plants have 'dual conflict settlement procedure.' The research finds that the economic recession of the early 1990s basically has not changed the workplace industrial relations at the three Japanese plants. Concerning the essence of skill formation, communication, and conflict resolution, the three American plants operate differently than do the Japanese plants.

Kuruvilla, Sarosh. Gallagher, Daniel G. Wetzal, Kurt (1993) The development of members' attitudes toward their unions: Sweden and Canada.

A study was conducted to determine satisfaction with and commitment to labour unions on the part of Canadian and Swedish union members. While the countries differ culturally and in their political, economic, and industrial relations systems, both are advanced industrial nations with relatively high union densities. In addition, they differ greatly in organization at the national level. The study used responses to a questionnaire by 1,675 union members in professional occupations in Sweden and 476 blue- and white-collar union members in Canada. Union commitment and union satisfaction were found to be theoretically and empirically different constructs. In addition, tests of a theoretical model of union attitude formation indicate that different but overlapping sets of factors influence commitment and satisfaction. Activities and processes that provide members with greater information about the union

were found to effectively promote union commitment but not union satisfaction.

Arthur And Jeffrey Bradford (1990) Industrial Relations And Business Strategies In American Steel Minimills, Cornell University.

The study addresses the current diversity in industrial relations practices and outcomes at the plant level by examining the sources and consequences of variation in industrial relations (IR) strategies in steel minimills. Three main hypotheses are identified and tested: (1) variation in patterns of minimill Industrial Relations policies and practices can be empirically identified and characterized by 'Cost Reduction' and 'Commitment Maximizing' IR strategies; (2) variation in these IR strategies is associated with differences in business strategies across minimills; and (3) the productivity and quality of output will be higher in mills which match their business and IR strategies and which have an internally 'consistent' IR strategy. These hypotheses are tested using survey data on business and industrial relations practices from approximately 30 minimills in the U.S.

The study finds substantial evidence of distinct IR strategies across the mills. A cluster solution contains the hypothesized pure-type Cost Reduction and Commitment Maximizing IR strategies as well as two variations of each of these strategies. The data also support that business strategies an important determinant of IR strategy variation in minimills. Twenty of the twenty-nine mills examined have a fit between business strategy and IR strategy (i.e., Low Cost/Cost Reduction and Differentiation/Commitment Maximizing). Multivariate analysis reveals that business strategy remains a statistically significant predictor of IR strategy variation even after controlling for other mill and managerial characteristics.

Finally, the study finds that those mills that fit business strategy and IR strategy have higher minimill manufacturing performance (i.e. productivity,

and quality of output) than mills without this fit. The consistency of policies and practices within a given IR strategy is also correlated with higher manufacturing and performance.

These results suggest to researchers that to understand current IR diversity, we must look at differences in business strategies across firms and plants. For unions, managers and public policy makers the results suggest that one way to improve economic performance in our basic industries is for firms to have a consistent IR strategy, which fits with their business strategy.

STUDIES ON PRODUCTIVITY:

There is a general awareness of productivity as the ultimate objectives of work leading to metamorphosis of economic and social good in a society. ILO has defined productivity as "The ratio between the output of wealth produced and the input of resources used up in the process of production".

Operating Profits and Operating Assets:

Of late anything and everything is being equated with productivity. Sometime it is being even confused with social good. It is therefore useful to sharply define the focus of productivity to ensure its action orientation in industry. Productivity is a means to an end and not an end in itself. The ultimate end of a human society remains well being of the people based on their growth and development.

Time frame itself has a close connection with the understanding of productivity. Productivity for a short term must yield place to productivity on long-term basis. In fact, this is an implied concept in the motion of productivity. Striking as it may appear is the resemblance between the goals of human existence as advocated in the Indian philosophy and the concept of the productivity.

The man who gives more to society than what he receives from. It is more valuable as is the organisation and the industry, which adds more value to its products, uses as less inputs from its environment as possible to maximize results, which are recycled to the environment. In this sense productivity may not constitute a narrow technical efficiency indicator. In fact it becomes synonymous with sound management tenets of creative life.

Man – The Core of Productivity:

In one of the studies conducted by Young Managers for all India Management Association the following factors have been mentioned as those affecting the productivity.

- (a) Internal factors, and
- (b) External factors

Internal factors include hard factors which cannot be easily changed, like level of technology, plant and equipment processing methods, layout, raw material etc. and soft factors like lack of motivation, systems and procedures, product mix, inventory policies, automation and training and development etc. The external factors affecting productivity include power and energy, infrastructure, government – business interface, political and social climate, and market demand and public perception.

This study indicate that the most important three factors ranked as favourable and unfavourable in the present climate were availability of power in future, raw material and training and development as against most important unfavourable factors like motivation, poor quality of inputs and poor personnel policies. In fact the favourable and unfavourable human factors are most dominant in spite of clatter and jungle of the techno society of the day. In a detailed research study undertaken by Foundation for organizational research 230 executives ranked the following factors important for effective performance of an organisation.

If we take the above study in a large sector of Indian economy indicating areas where push to productivity and effective performance of an organisation can be of value we could note that nearly all the factors relate to the human resources area. The point that technological, financial and other aspects of the organisation are too deeply dependent on the human beings operating these systems makes it substantially clear that any change will have to be viewed from a change in the human system. In the same study the factors which hinder performance or organisation we note the reflection on the human system significant as also lack of resources, material, lack of know how, poor organizational planning and poor man management as important indicators.

Large population, as we have, constitute powerful resource for the industrial advancement provided we arrest the decline of work ethics and create positive orientation. It was perhaps in this context that Peter Drucker felt that "productivity is an attitude of mind."

PRODUCTIVITY AND HUMAN RESOURCE DEVELOPMENT:

As the economy has grown, the industrial base expands and services gear up to meet the expanding and diverse requirements of the economy; it is precisely under such circumstances that the need of skilled manpower and managerial talent is acutely felt. We cannot build high quality economy with low quality inputs, and especially the human factor, which permeates every domain of economic endeavour. The Importance of human resource development is therefore obvious, but it is one dimension of economic growth, which is under rated and often given low priority. Ultimately economy needs skilled people whose knowledge and capability needs consistent upgrading. Neither economy nor organizations can grow unless there is a determined effort to upgrade manpower skills and know how from top down the line.

There are many approaches that go to improve productivity such as higher capital investment, effective financial controls, management information systems, good communications, etc. The key to productivity increase in future will be the integration of societal norms into business and employment ethics. Management should evolve towards this goal and promote such leadership styles. The freedom amongst people to be a part of the decision-making process and implementation of their ideas promotes co-operation and productivity efforts. Awareness of the harmony produced through decision making by consensus and creating a conducive environment to tap the potential of the innovativeness of group action will promote a higher commitment to quality work at all level. And this all can be achieved by proper HRD as mentioned above.

As the slogan goes "Efficiency is doing a thing right' effectiveness is doing the right thing. Productivity is both."

In a study conducted on productivity in the present scenario in India (Satya Raju, 1996) it was found that the man-days lost due to strikes and lockouts declined significantly from 34.57 million in 1991-92 to 19.20 million in 1994-95.

A study was conducted to investigate the relationship between labour-management climate and perceptions of productivity, product/service utility, and customer/client satisfaction. Data were drawn from a regional and national sample of Canadian organisations and a regional sample of local unions. The findings reveal a strong relationship between labour-management climate and measures of organisational performance, with a more positive labour-management climate linked to more favourable scores on the performance variables. (Wagar, Terry H; "Is labour-management climate important? Some Canadian evidence" *Journal of Labour Research* v 18, Winter 1997, p 163-74).

According to Porter, (1980) the principle goal of a nation is to produce a higher and raising standard of living for its citizens. The ability to do so depends upon the productivity with which nations' labour and capital are employed. The productivity of human resources determines employee wages; the productivity with which capital is employed determines the return it earns for its holders. A nation's standard of living depends on the capacity of its companies to achieve higher levels of productivity and to increase productivity overtime.

Productivity in Organised Manufacturing:

The productivity of the industry can be measured in terms of the productivity of its constituent factors of production, such as labour and capital. However, the partial productivity measures have limitations as in situations where capital intensity is increasing over time, partial productivity measures such as labour productivity may show an increase but this could be more a reflection of rising capital labour ratios rather than pure productivity increases. This problem is resolved by analysing total factor productivity growth, which encompasses the effect not only of technical progress but also of better utilisation of capacities, learning-by-doing, and improved skills of labour (Ahluwalia 1991).

Krishna (1987) in his review of studies during the 1960s and 1970s observed that the studies agreed upon a deceleration in the total factor productivity (TFP) since the 1960. Ahluwalia (1991) observed decline in total productivity during the 1970s and a turnaround in the first half of the 1980s. The improvement in TFP was due to the increase in labour productivity, while the capital productivity did not show an increase or a decrease. However, these results have been contested on the ground that the use of appropriate indices to deflate the value added would lead to the opposite result, a slower growth in the 1980s than in the earlier decade (Balakrishnan and Pushpangadan 1994, Rao 1996a). It is also argued that the declining TFP

growth rates were attained in highly restricted trade regimes (Das 1998). The suggestion being that a less restrictive regime would lead to better growth rates.

Studies on total factor productivity thus so far have used the wholesale price index of manufacturing products as a deflator (Goldar 1985, Ahluwalia 1985, 1991, Ramaswamy 1994, Upendra 1996, Burange 1999). However, Balakrishnan and Pushpangadan (1994) point out that such a measure is valid only if the price of materials relative to the price of output is more or less constant for the period of analysis.

When this relative price is changing, estimated productivity would *ceterisparibus* vary inversely. Hence, they advocate the double deflation method, where the value of output is deflated by an output price index and the value of input by an input price index. Further, while this method provides a distinct improvement over measures that have been provided so far, it does in turn require correction for capacity utilisation and the existence of a mark-up over marginal cost. There is also substantial bias involved in the use of double deflation method (Dholakia 1999a).

Rao (1996a) argued that measuring TFP with single and double deflation of value added is susceptible to biased estimates and can be avoided if one realises on an accounting decomposition or an econometrically estimated decomposition. He developed a total factor productivity measure where the production function was separate for material and factor inputs. The principal conclusion that emerged was that there was a transition in the early 1980s from a high positive rate of trend growth in productivity to a significant and negative rate, a result contrary to Ahluwalia's conclusion (Rao 1996b).

An analysis of long-term trends of partial-factor productivities in the manufacturing sector in the 1970s showed a sharp increase in capital

intensity accompanied by falling capital productivity and a weak rising trend in labour productivity (Ahluwalia 1991).

Rao (1996a), using the dividing line of 1983-84, observed that during the first period, partial productivity indicates materials; labour and capital showed a marked rise in real terms. However, during the second period, material and capital productivity declined sharply, and the rising labour productivity also tapered off.

Productivity in Unorganised Manufacturing:

For instance, Krishna (1987) noted that during 1960-1980, while the share of the organised sector in total employment increased from 1.9 to only 2.8 per cent, that of the unorganised sector increased from 2.4 to 4.5 per cent. The only study that attempted measuring productivity in the unorganised sector was that of Brahmananda (1982).

He used data for four time points, namely, 1950-51, 1960-61, 1970-71 and 1980-81, from the NAS for gross value added and the Population Census for employment. He calculated the annual compound growth of TFP. According to this study, TFP of the unorganised manufacturing sector grew at the rate of 4.1, 2.3, and 1.9 during 1951-61, 1961-71 and 1971-81 respectively. The over all growth rate of TFP during 1951-1981 was at 1.5.

Sanesara (1991) noted that value added for unregistered manufacturing as a percentage of total manufacturing declined by less than 1 percentage point between 1970-71 and 1980-81, that is, from 37.3 to 36.6 per cent (1970-71 prices). The value added declined from 42.9 to 38.1 per cent between 1980-81 and 1987-88 (at 1980-81 prices).

A recent study analyses productivity of the small-scale sector using the first and second all-India Census on the Small-Scale Industries (Ramaswamy

1994). The author observed that while labour and capital productivity increased, aggregate capital productivity decreased marginally from 1.1 in 1970-71 to 1.0 per cent in 1988.

Goldar and Mitra (1999) estimate the TFP growth for unorganised manufacturing using the 45th round (1989-90) and 51st round (1994-95) NSS surveys. The estimates are made separately for the own account manufacturing enterprises (OAME) and the non-directory manufacturing enterprises (NDME) in rural and urban areas. The results showed that at the aggregate level there was no growth in TFP either in OAME or NDME in rural areas. In the urban areas, OAME recorded a modest growth rate of 1.2 per cent per annum between 1989-90 and 1994-95, and the NDME showed a decline in productivity during the same period. At the all industry level. Labour productivity grew only in OAME in urban areas and in NDME in the rural areas.

Bhalla (2001) computes TFP growth for two periods, 1984-85 to 1989-90 and 1989-90 to 1994-95, in unorganised manufacturing industry. In the first period she observes a high positive growth in NDME in rural areas and a high negative growth in DME in urban areas. TFP growth in the second period is negative in both types of enterprises in urban and rural areas.

Bottasso, Anna. Sembenelli, Alessandro(2001) Market power, productivity and the EU single market program: evidence from a panel of Italian firms.

This study provides empirical evidence on the impact the EU Single Market Program has exerted on market power and total factor productivity in a large sample of Italian firms. Both market power and total factor productivity are estimated by applying several extensions of the methodology developed by Hall. Main findings can be summarised as follows. Firstly, for the sample of '1992 most sensitive' firms market power decreases by 50[percent] in the

SMP implementation period compared to previous years, whereas no clear pattern emerges for the other sub-samples of firms. Secondly, and less conclusively, only for the sub-sample of '1992 most-sensitive' firms a positive transitory shock to productivity growth rates is observed immediately after the announcement of the reform project. Overall, these results are consistent with the long standing view that economic integration reduces firms' market power and increases productivity via the removal of non-tariff barriers.

Taylor, Timothy (2001) Thinking about a "new economy".

There has been considerable discussion in recent years about whether the development and application of information and communications technology have changed the U.S. economy in a fundamental way. There is strong evidence that productivity growth in the U.S. economy has revived since the mid-1990s, but claims that the economy has experienced either a fundamental shift in its patterns or a change on the scale of the Industrial Revolution seem exaggerated. The so-called information revolution is best seen as a new stage in a process that began with the original Industrial Revolution two centuries ago, which--like previous stages--will generate significant economic growth and social change over a number of decades and will be distinctive in its details. From a broader viewpoint, however, levels of productivity growth, unemployment, and inflation, as well as the possibility of recessions and stock-market collapses, will not stray beyond the last half-century's range of experience.

Gu, Wulong. Ho, Mun S (2000) A comparison of industrial productivity growth in Canada and the United States.

A study was conducted to examine industrial productivity growth in Canada and the U.S. for the period 1961-1995. Data were drawn from 33 industries in the two countries for the sample period. Findings reveal that average

growth rates of output in Canada were higher than in the U.S. for almost all industries prior to 1988, but after 1988 output growth in Canada was slightly lower. Findings also show that between 1961 and 1973 there was a significant catch-up by Canadian industries to the productivity levels of U.S. industries, but since that date the productivity gap has remained virtually unchanged. In addition, findings reveal that productivity growth contributed on average just 20 percent of the growth of industrial output for both countries during the sample period, while the rise in capital and labour quality was a factor in the economic growth of both countries.

Lee, Frank C. Tang, Jianmin (2000) Productivity levels and international competitiveness between Canadian and U.S. industries.

A study was conducted to compare the competitive position of Canadian industries vis-à-vis U.S. industries in 1995. Data were obtained using a bilateral production function to estimate relative total factor productivity levels between the two countries. Findings demonstrate that it is essential that purchasing-power parities rather than the market exchange rate are used to assess productivity levels and international competitiveness between the two countries. Findings reveal that Canadian industries with higher relative productivity tend to be more competitive than their U.S. counterparts. However, over time, movements in the exchange rate seem to be the primary factor underpinning international competitiveness.

Ray, Subhash C. Desli, Evangelia (1997) Productivity growth, technical progress, and efficiency change in industrialized countries: comment.

An alternative decomposition of the Malmquist productivity index is presented that avoids the problem of internal consistency encountered in Rolf Fare et al.'s (1994) extended decomposition. The proposed decomposition conceptualizes a technology characterized by variable returns to scale.

Technical change is measured by the ratio of the values of the output distance functions for a reference technology exhibiting variable returns to scale at the input-output bundles of the same country observed in adjacent years. Data from an updated version of the Penn World Tables are used, and remarkably different conclusions are reached regarding technical change and efficiency change experienced by individual countries.

Jablonski, Mary (1995) Multifactor productivity: cotton and synthetic broadwoven fabrics.

Part of a special report on productivity measurement. Multifactor productivity, which relates output to the combined inputs of labour, capital, and intermediate purchases, increased by an average 0.8 percent annually between 1972 and 1991 in the cotton and synthetic broadwoven fabrics industry. The driving force behind this productivity growth was technological change. Meanwhile, output per-employee hour rose at an average annual rate of 3.1 percent in the 1972-91 period. This measure increased more rapidly than multifactor productivity because of the substitution of capital and of intermediate purchases for hours of labour in the production process. If automation of the production process continues and pressure from international competition persists, the broadwoven fabrics industry could continue to see gains in multifactor productivity and losses in employment for the foreseeable future.

Ay And Chang-Ruey (1994) Labour Market Institutions And Productivity Growth: A Six-Country-Comparison (Corporatism, Liberal Pluralism), University Of Illinois At Urbana – Champaign.

This study investigates problems of productivity growth with special emphasis on institutions in the labour market. Two major classes of labour market institutions are analysed: corporatism and liberal-pluralism. To examine why productivity growth rates differ among national economies, this

study undertakes an international comparison of diverse growth experiences in three Western and three Asian countries over a relatively long period, 1960-1990. These countries are: the former West Germany, Sweden, the United States, Japan, South Korea and Taiwan.

The results indicate that the cross-national variations in productivity performance among the Western countries are due largely to economic factors, rather than to labour market institutions. In the long-run, productivity performance, adjusted for economic and institutional factors, is about the same in Japan, Korea and Taiwan. Nonetheless, there is a difference in productivity performance between Western and Asian countries, holding other variables constant. This implies that there still remain some other economic and institutional factors that make Asian countries' growth different from Western countries'.

The favourable effects on labour productivity growth of Western corporatist industrial relations systems have declined significantly since the 1973 oil shock. The ability of European countries to improve labour-management relations, to increase employment and to control inflation is called into question. The liberal-pluralist system of the United States is found to be just as efficient as the European corporatist systems in productivity performance after 1973. Japan's micro-corporatist system, with its decentralized wage setting coupled with a high degree of coordination, is found to be the best performer bringing down industrial conflict, unemployment and inflation together with, at the same time, relatively high and stable productivity growth. Between South Korea and Taiwan, Taiwan's industrial relations systems and labour markets are found to be associated with high productivity growth after adjustment for economic factors.

Ark, Bart van. Pilat, Dirk (1993) Productivity levels in Germany, Japan, and the United States: differences and causes.

A study compared manufacturing productivity in the United States, Germany, and Japan. National data on labour productivity growth rates for the 1950-90 period were analyzed using an industry-of-origin approach. Results reveal that Japanese productivity has significantly converged to the U.S. level over time. German productivity rose to nearly the U.S. level by the early 1980s but has declined relative to the U.S. since that time. Differences in capital and education appear to explain only a modest fraction of the differences in labour productivity. These findings suggest that existing productivity gaps may be due to broader factors, ranging from sociological and institutional differences to the effects of rent seeking, bargaining outcomes, and economic policies.

Ahmed, Ziaul Z. Sieling, Mark (1992) Productivity in the nuts and bolts industry, 1958-90.

Productivity in the bolts, nuts, screws, rivets, and washers industry increased at an average annual rate of 0.9 percent between 1958 and 1990, reflecting a 1.5 percent annual increase in output and an 0.6 percent annual increase in employee hours. The modest average productivity increase masks a pattern of accelerating productivity growth that reflects changes in manufacturing processes, industry structure, and final demand.

The effects of import penetration on demand, changes in the proportion of small establishments to large ones, the techniques used in the manufacture of bolts and screws, and trends in employment and hours, occupational structure, and capital stock and investments are discussed.

**Baily, Martin Neil. Hulten, Charles R. Campbell, David (1992)
Productivity dynamics in manufacturing plants.**

An empirical study examined the productivity dynamics in manufacturing plants. Data on 23 industries were obtained from the U.S. Bureau of the Census's Longitudinal Research Database (LRD), in particular from census information on manufacturers and from the annual surveys of manufacturers. Results of regression analyses using 4 mathematical models of productivity dynamics indicate that measurement errors and random shocks are critical parts of the distribution of productivity in the LRD and that there is strong persistence in relative productivity. The results also suggest that old plants are only slightly less productive than their newer counterparts, very small plants make up the majority of entrants and exits, typical entering and exiting plants have below-average productivity, the average productivity at new plants rises relative to the average for all plants, high productivity correlates to high wages, and highly productive plants gain in output share.

**Wilson And Nicholas (1992) Cooperation, Control And Productivity:
An Analysis Of Participation And Profit Sharing In British
Engineering, University Of Nottingham (United Kingdom).**

Economic theory is particularly weak on the relationship between ownership structures, internal organisation and enterprise performance. Existing empirical evidence on the participation-performance relationship is also sparse and systematic quantitative work particularly so. To provide additional new estimates of the relationship between aspects of employee involvement and productivity, a primary micro-level data panel of UK engineering firms was developed.

The Guttman scales of participation confirm that participation follows a natural pattern of development, beginning in areas of decision-making close to workers knowledge and experience and gradually spreading to decision-

making areas that are more remote. Firms calibrated as high participation were usually characterised by the existence of formal and regular joint consultation. In strongly unionised settings this took place by the establishment of union-management committees and in others through work's councils.

An analysis of the coincidence of participation, profit sharing, share ownership and unionisation, including the extremes (closed shop), revealed that participation and profit sharing do not necessarily go hand in hand. Estimated production functions confirm the expectation of positive productivity effects with some indication of a stronger profit-sharing effect. The analysis from this chapter implies that the mechanisms at work are both complex and often quite subtle and that one should allow for embodied as well as disembodied participation/profit-sharing effects. Productivity gains imply that participation does not entail the serious resources costs and reductions in productive efficiency. Moreover, a positive impact of these schemes is found on other dimensions of performance.

Unions do not impede the development of employee participation nor the introduction of sharing schemes and the evidence supports the notion that participation can equally develop through union channels. However many negative aspects of closed shop agreements were highlighted. In these establishments it appears that the basic adversarial industrial relations is perpetuated.

Evidence suggests that profit-sharing firms alter remuneration more than non-profit-sharing counterparts and that employment is higher in these firms. The increased labour demand emanates mainly from the higher level of productivity in these firms rather than from profit sharing producing a weitzman-type wedge between the average and marginal cost of labour. (Shortened data for a functional analysis of worker participation in decision-making at the firm level, and its impact on productivity. The case studies

involved the Kaiser Aluminium Company and the United Steel workers of America. Participation is defined by the organizations' structures and processes: union, management, and industrial relations. Utilizing a production function, productivity showed dependency on worker participation. In particular, union and management structures with special emphasis on decentralization, representational voice-effect, and an Employee Involvement program all showed a positive impact on productivity. Additionally, it was determined that increases in the quality of working conditions act as a catalyst in enhancing management's, union's and industrial relations' impact on productivity.

Hur And Chan Young (1992) Trade Unions And Productivity: The Impact Of Union Presence On Labour Productivity In Korean Manufacturing, Aston University And United Kingdom.

This study examines the theoretical and empirical relationship between trade unions and productivity in the Korean auto and cement manufacturing industries, during the 1980s. It challenges the tenets of the existing debate by stressing the contingent nature of this relationship. In particular this study pinpoints inadequacies of econometric analysis as the only method of judging this association between union presence and productivity, because this ignores national and historical industrial relations contexts. Moreover, the polarity between positive and negative views of trade union influences on productivity is seen as needlessly limited, failing as it does to consider the full context of labour-management dynamics within the employment relationship.

Empirically, this study focuses on the unionism and productivity during two contrasting political periods: the first a time of constraint on union action and the second a period of relative freedom. It examines these periods using a full range of quantitative and qualitative analysis. Of particular significance is the inclusion of attitude surveys of the relationship between the presence of

unions and productivity conducted amongst workers, managers and trade union officials. The broad conclusion of the study is a rejection of the validity of continuing to examine the relationship between trade unions and productivity without locating this within national and historical industrial relations.

Rooney And Patrick Michael (1990) Employee Ownership And Worker Participation: Effects On Productivity Job Satisfaction, And Health And Safety Incidence Rates, University Of Notre Dame.

This study focuses on the effects of employee ownership and worker participation. Using an original data set generated by mail questionnaires, it specifically asks : (1) does employee ownership and/or worker participation affect firms' productivity measured as value-added per employee ? (2) how do firms with Employee Stock Ownership Plans (ESOPs) compare to producer cooperatives and how do they both compare to an income-maximizing theoretical model ? (3) does employee ownership and / or worker participation moderate the growth rates of firms ? (4) what effect does employee ownership and / or worker participation have on the health and safety of the employees ? (5) are employee owners and / or workers, who participate in decision-making in the firm, more satisfied with their jobs ? (6) what impact does employee ownership and / or worker participation have on industrial relations ? (7) similarly, what effect does unionization have in an employee owned firm ?

Koch And Marianne Josephine (1989) Recruitment And Selection Strategies In The Firm: Their Determinants And Labour Productivity Effects, Columbia University.

Despite the fact that United States firms spent approximately \$6,175 per employee hired in 1988, no one has specifically analysed the determinants of organizational choice of recruitment and selection methods and their effects

on labour productivity. This study attempts to fill this gap by considering the choice of recruitment and selection strategies by 495 United States firms and the effect these hiring strategies have on the performance of the workforce. The firm is assumed to set wages and hiring standards exogenously and a firm's choice of hiring strategy is hypothesized to be affected by a set of firm and industry specific and labour market factors. Gathering information via recruitment and selection methods is hypothesized to improve the quality of the employment match by improving the accuracy of estimates of the missing information regarding the job candidates' potential productivity.

The data used to test the implications of the model came from a unique data set containing information about the human resources management practices among United States firms that was collected by members of the Industrial Relations Research Center at Columbia University Graduate school of Business. The major findings are that the influence of firm specific factors appears to predominate in employers' investments in extensive search. Intensive search is determined by environmental factors including industry and labour market characteristics, as well as firm specific factors. It was also found that the number of recruiting sources regularly used and the number of pre-employment selection tests administered to job applicants both have positive and significant effects on labour productivity, as measured by net sales per employee.

Laskowitz And Kate (1989) Worker Participation And Productivity: A Functional Analysis- Two Case Studies In The Primary Aluminium Industry, University Of Miami.

Two case studies in the primary aluminium industry provided procedural rules but also in substantive rules, contrary to what would be expected according to Dunlop's model in Industrial Relations Theory (1956).

Brand, Horst (1988) Productivity and employment: the 1988 International Symposium.

The third International Productivity Symposium sponsored by the U.S. department of Labour emphasized the importance of quality labour in productivity growth and, in turn, of productivity growth in maintaining world peace. Secretary of Labour Ann McLaughlin noted that the majority of U.S. productivity growth since 1929 came from increased labour quality, while machine capital caused only 20 percent of the growth. C. Jackson Grayson, chairman of the American Productivity Center, emphasized that the United States, like past productivity growth leaders, will be outstripped by imitators unless it recognizes the importance of human capital, labour quality, and the rapidity with which innovations and inventions become commodities. The symposium was organized around three sets of panels convened to discuss strategies for employment, organization, and industrial relations.

Smith And James Earnest (1987) A Study Of Labour Negotiation Productivity Concerns In The Petroleum Refining Industry, Texas A & M University.

The primary objective of this study was to identify productivity factors relative to negotiating future labour contracts with oil, chemical and workers. A Delphi research method was utilized to accomplish this purpose. The Delphi panel consisted of 15 labour negotiators in the petroleum industry recognized as being experts in the industrial relations field.

The study utilized three rounds to obtain the stated objectives. Round one involved the use of an open instrument to solicit productivity factors that would be beneficial in future negotiations with the OCAWIU. These items were edited to form 25 factors. In round two, two separate instruments were sent to the panel members who were asked to judge the value of each item on the first instrument, and to rank the ten most significant items on the

second. The round three instruments were individualized for each panel member. The first instrument designated the group mean for round two responses and showed the individual's response. The second instrument showed the group ranking compared to the rank given by the individual. The panel members were allowed to change their original responses and make comments if they wished to do so.

The productivity items were rated by the panel members, and descriptive statistics were used to describe the combined order of listings and weights for determining the relative importance of each factor in the consensus model. The nonparametric statistics were used to examine the degree of consensus between the mean values on the first instrument with the ranked values for the second instrument. No significant differences were formed. Twenty-five productivity items were identified and prioritised as viable negotiable items with the OCAWIU.

Regulatory function was fundamental to securing the optimum transition from manual to mechanical mining. The state regulated industrial relations, wage fixation and assumed the financial burden of social insurance. From the 19th century governments had also provided free infrastructure, protected the owners' property during strikes, but had left production and distribution unregulated. The study shows that as a result of this quasi laissez-faire approach, by 1939 the industry was technologically backward, its accessible coal reserves were depleted and industrial relations were in chaos. The industry's inability to produce sufficiently during the war persuaded the NSW and Federal governments to impose permanent control by creating the Joint Coal Board (JCB) and the Coal Industry Tribunal.

However, regulated production and distribution was founded on the same understanding between the state and coal owners, which had characterised relations since the 19th century. The study demonstrates that while the owners were forced to mechanise by the JCB, other than restrictions on

production and distribution between 1947 and 1952, owners produced as much coal as they liked and sold it on the open market while governments provided free infrastructure. The state's relations with the workforce were not so amiable, through various means the JCB and the Tribunal ensured that the workforce became less prone to strike and keener to improve productivity. Where mining custom and practice interfered with the restructuring of the industry, the Tribunal ensured that workforce resistance was neutralised. The workforce was also persuaded to co-operate by the production bonus the owners introduced from the late 1950's.

Levitan, Sar A. Werneke, Diane (1984) Worker participation and productivity change.

In an article adapted from their book *Productivity: Problems, Prospects and Policies* (1984), the writers discuss the transferability of foreign productivity practices to the American workplace. It is unlikely that an importation of Japanese and West German "worker participation" management models would noticeably improve the productivity of American workers. In West Germany, laws insure worker representation in a company's decision-making process, and workers' councils elected by employees enjoy a wide range of powers. In Japan, lifetime employment and the absence of large, industry-wide unions have contributed to a unique economic environment in which cooperation flourishes between workers and managers. Neither system, however, could be easily reconciled with long-standing American management patterns. Both employers and unions are reluctant or unable to abandon the adversarial relationships that characterize the American economic system.