Review of Literature:

Realizing the necessity to undertake in depth analysis of studies relating to human resources management, the researcher has investigated earlier studies. Following studies are made on this aspect.

**Sivaprasam P.(1986)** has studied an appraisal of personnel management policies and practices in central co-operatives bank in Tamilnadu, under the supervision of Dr. V. Kulandaisamy, Department of Commerce, SRMV Arts college, Coimbatore. He has made an appraisal of recruitment selection, promotion, wage and other important aspects with special reference to central co-operative banks in Tamilnadu.

**Tiwari Pratap Shankar(1986)** has studied management of human resources in Indian Army under the supervision of Prof. A.K. Shah, Department of Management Studies, Banaras Hindu University with special reference to participative management.

**Laxminarayan C. (1988)** has studied personnel management in small scale industries of Hyderabad city under the supervision of Dr. Ravi Prakash Kakatiya University. He has made a brief comparative analysis of personnel management practices in selected small scale unit of Hyderabad city.

**Harinder Jeet Singh(1989)** has studied personnel management practices and industrial relations in National Textile Corporation on Uttar Pradesh units under the supervision of Dr. Mahendra Singh, Department of Commerce, Meerut college, Merrut Through highlighting on recruitment, selection, promotion, working conditions, wage, motivation, industrial relation and other important aspects.

**Saikia Jitendra Nath (1989)** has studied human resources management in public sector enterprises in Assam under the supervision of Dr. H.K.Barnaj, Department of Commerce, Gauhati University. He has made a comparative study of human resources management practices in selected state level undertaking in assam.

**Sudhir Kumar (1989)** has studied personnel administration in Himachal Pradesh State Electricity Board under supervision of Dr. Shiv Raj Singh, Department of Public Administration, Himachal Pradesh University. He has discussed recruitment, selection, training and development, promotion, transfer wage, discipline, motivation, employee benefits and services, participative management and other related aspects with special reference to Himachal Pradesh State Electricity Board.

**Ramu Chand Reddy L (1992)** has studied personnel management in public enterprises under the supervision of Dr. M.V.Subha Rao, with special reference to Andhara Pradesh Dairy Development Co-operative Federation Ltd.
M.Gangadhar Rao and P.subba Rao (1993) have studied human resources management in Indian Railways and tried to draw attention on important aspects of human resources management. They have discussed employment, monetary emoluments, employee benefits and services, employees organization, organizational conflict, consultation and co-operation and operational efficiency with special reference to Indian Railways, in the book “Human Resources Management in India Railways”

M.K.Patel (1993) has studied Gujarat ni Jilla Madhyastha Sarkari Banko nu Karmachari Sanchalan and has discussed recruitment, training, promotion transfer, discipline, wage and salary, employee welfare activities, working condition of employee and union activities of employees in his book.


Dixon (1994) describes the essence of a learning organisation as the organisation's ability to use the amazing mental capacity of all its members to create the kind of processes that will improve its own (Dixon 1994 cited in Wilson 1999). They are organisations where individuals constantly expand their capacity to create the results they truly desire. They have systems, mechanisms and processes in place, that are used to continuously enhance their capabilities to achieve sustainable objectives. To achieve this strategy there is an open culture which promotes learning in both formal and informal methods. Mistakes are discussed and reviewed, theoretically without blame being apportioned (Wilson 1999).

The research can also be viewed with that of Goodall and Warner (1997), who examined HRM in joint ventures in Shanghai compared with those in Beijing, using a case-study approach. They focused primarily on issues relating to labour contracts, rewards and benefits, social insurance, trade unions and personnel policies, and described developments in China in each of these areas. The extent to which HR practices in joint ventures are distinct from those in contemporary state owned enterprises was also examined. The papers conclusions were that, although, as one would expect, foreign ownership modified traditional practice, the degree and extent to which this was true varied widely. Although neither of these pieces of research directly related to mergers and acquisitions, they were both strongly focused on the influence of the west in China,
and thus provide good data and analyses which will be prevalent in the study of the M&A field.

**Gratton et al. (1999.)** "Human Resource Management advocates the devolution of people management from the Human Resource function to line management. However, research shows that this is difficult to achieve in practice. Discuss why this is the case. Indicate what can be done to ensure that line managers take responsibility for the implementation of HR policies and practices."

**Galbraith (Heneman, et al., 2000)** pointed out the importance of studying the role of human resources in the development of entrepreneurial firms. Research on the role of HRM in the entrepreneurial process, however, is only now beginning to emerge. Current research literature on HRM in entrepreneurial firms, though, “appears to be rich in prescriptions, limited in sound descriptive surveys, and sparse in analytical research”

**Meyer (2001)** takes another approach to the topic, using an understanding of the allocation processes in mergers and acquisitions by applying an organizational justice perspective. This is a perspective that had previously been neglected in past research on mergers and acquisitions, but which is very important in understanding the challenges managers face in allocating human resources and other resources of symbolic importance. In particular, the paper examines the trade-offs between multiple goals in selecting distributive and procedural justice rules, and identifies factors that constrain these choices. A similar perspective is offered by Lieberman and Moss (2001), who analyse the reasons reorganizations and mergers often result in workforce reductions, and the forms these changes often take. However, this paper concentrates more on the legal challenges and risks for in-house counsel and the human resources departments when dealing with local and regional employment laws, claiming that, with proper planning and advice, the potential for incurring charges of discrimination or other employment law issues can be anticipated and avoided. However, the paper is very clear that human resource departments planning a reduction in force, whether due to mergers or otherwise, are often running tribunal risks, and should consider whether other options are feasible, including freezing wages or postponing wage increases if cash needs are an immediate issue.

**Chu and Siu (2001),** A further study on the effects of the Asian Financial Crisis on human resource practices in the area was conducted, whose paper examined the processes of the ‘rightsizing’ strategies of Chinese-owned small and medium-sized firms in Hong Kong. The research results suggest that SMEs in Hong Kong follow different human resources practices at different stages, and also suggested a tentative model for the ‘rightsizing’ strategies of human resource departments in Chinese state owned small and medium-sized firms in Hong Kong.

**Horowitz et al. (2002),** provide one of the most definitive pieces of research on the subject of human resource challenges in mergers and acquisitions. Their article
identifies the attributes of organizational culture and human resource practices required for successful transitions in mergers and acquisitions, and analyses the implications of culture types for inter-organizational combinations. They cite the importance of information when dealing with employee turnover during a merger or acquisition, and also the importance of giving special attention to management style and organizational integration in successfully managing mergers and acquisitions. Another recent academic piece to touch on the subject was that of Signorovitch (2004). This article discussed how to successfully deal with a change in leadership in a company, and in some cases, those leadership changes were accompanied by other changes, such as reorganization, acquisitions or mergers. He claimed that it is also not that difficult to get some early insights into the new leader from colleagues in the organization, especially in the human resources department, due to that department’s necessary close association with the change.

HRM practices and development were reviewed by Chiu and Levin (2003) in Hong Kong which is a useful case study for predicting and analyzing the potential future directions. Their work briefly reviewed the principal types of employment systems that emerged within this environment following the reunion with the People’s Republic, and analyzed how changes in the economy, the politics, and the labor marker impacted on these systems from the late 1970s to the mid-1990s. In particular, it examined how human resources management practices in both the private and public sectors have changed since 1997 in response to two critical events occurring that year: the onset of the Asian Financial Crisis and the change of sovereignty over Hong Kong.

People Management (2003) focused on the study HR’s Contribution to International Mergers and Acquisitions, released by the Chartered Institute of Personnel and Development, stating the importance of accounting for differences in human resources management policies and industrial relations between companies, whilst also studying information on cultural due diligence.

M. Doyle (2003) examined that the labour force in competitor countries is educated to higher levels than those in the UK, and that higher education qualifications will ever more be in demand to address future skills needs, particularly at the technical and associate professional level. Foundation degrees have been introduced as a method for non-academic or professionally qualified employees to obtain the correct skills to enhance their role and future career prospects. Although these degrees are not the only method to bridge the skills gap, they should be considered together with more traditional methods of learning. With employers working closely to compile the courses they facilitate opportunities to create diversity and differentiation within education establishments.
Emmot (2003) In a survey by the CIPD of almost 1,200 senior HR practitioners, line managers’ views were the most frequently cited measure of HR performance, with 70 per cent of respondents indicating that this form of assessment was used in their organisation. ‘Business outcomes’ was ranked second, with employee surveys the third most popular measurement tool – just over half of the sample reported using these. Only a quarter spoke of relying on cost- benefit analyses. These figures present a contrasting view to that suggested by the dearth of published or otherwise available material on the subject of ‘soft’ performance measures, and suggest – perhaps not surprisingly – that HR-related communications between the department, managers and employees tend to be informal, or, at least, unpublished outside the individual organisation concerned.

Another useful piece is that of Woodard and Wang (2004), who discuss the implications of the acquisitions of Chinese companies being made by international companies for total foreign direct investment. They also mention the formation of the State Assets Supervision and Administration Commission in line with the restructuring and privatization of state-owned enterprises, showing that not only must HR departments in Chinese state-owned enterprises be prepared to acquire other companies, but they would do well to consider the possible implications of acquisition themselves.

A deeper look at this field was undertaken by Movshuk (2004), who used a stochastic frontier model with panel data, in order to evaluate the impact of major reform initiatives, including merger policy, on enterprise performance in China’s iron and steel industry. While the production possibility frontier of examined enterprises was shifting upward, their technical efficiency did not improve significantly, and was even deteriorating in the mid-1990s. Moreover, the largest steel enterprises did not have a pronounced efficiency advantage over smaller ones, even though the former are considered by the Chinese authorities as the core of their ongoing centralized merger campaign to create internationally-competitive steel conglomerates. As such, the paper examines various determinants of enterprise inefficiency, and discusses policy implications of major findings, including some implications that could potentially impact on HR departments.

Wen (2004), who used a Cournot competition model to show that the welfare consequences of different reforms are determined by the industrial structure, the distribution of production capacities, and the cost differentials among firms. As these factors vary from industry to industry, decisions on reform of loss-making state-owned enterprises, including choices between mergers and sale, to which the enterprises’ assets should be sold as well as the auction approach should be endogenized within the industrial structure. Near the end of 2003, the Far Eastern Economic Review looked at the purchase of the two plants of U.S.-based Intergen Co. in Australia by China state-owned Huaneng Power International Inc., and examined some of the potential implications.
Law, Wong and Wang (2004), who claim that the localization of human resources has been a major objective for many transnational corporations and state owned enterprises in China. After a review of related literature and in-depth interviews with six such corporations, Wong and Law (1999) developed a model explaining the localization process in China, and based on this localization model, Law, Wong and Wang (2004) conducted an empirical test involving the antecedents of successful localization results of 139 transnational corporations in the country. Results showed that whether or not localization had been identified as an important goal, overall localization planning efforts and most importantly the actual human resources management practices were important factors leading to successful localization of expatriate positions.

De Saa Perez and Garcia Falcon (2004) reviewed that Strategic HRM provides firms with the internal capacity to adapt and adjust to their competitive environments by aligning HRM policies and practices (Kidwell and Fish, 2007). Examples of these policies and practices are recruitment and selection, training and development, and reward systems with business strategies (Leingnick-Hall and Leingnick-Hall, 1988; Delery and Doty, 1996; Svelik and Starrov-Costea, 2007; Petrescu and Simmons, 2008; Verano-Tacoronte and Melia’n-Gonzalez, 2008). The firm’s ability to develop HRM practices aligned with business strategy is a source of sustainable competitive advantage (Dyer and Reeves, 1995; Huselid et al., 1997; Barrett and Mayson, 2007; Andonova and Zuleta, 2007). Strategic HRM has been studied from three perspectives (Delery and Doty, 1996; Twomey and Harris, 2000): universalistic, contingency and configurational.

Hayton (2005) Human capital is the knowledge, skills, and abilities of employees, while human resource management (HRM) includes all activities related to the management of employment relationships in the firm (Lin et al., 2008).

Kearney (2005), whilst discussing the consolidation of Oracle and PeopleSoft workforces, looked at differences in the consolidation process in several countries, including collective consultation on the merger and job losses. His conclusion was that job losses are inevitable in a merger, and it is up to HR departments to complete them as swiftly as possible because prolonging the pain for everyone in the name of protecting the few really is cruel. (Kearney, 2005) Kearney’s conclusions back up those of Faulkner, Pitkethly and Child (2002), who investigated HRM practices adopted by companies from the USA, Japan, Germany and France in UK companies that they acquired, with UK/UK acquisitions used as a control. The research, which was based on a survey instrument applied to 201 companies and interviews with forty, notes that there is some convergence of HRM practices, in that, for example, all countries researched employ performance-related pay and increased the amount of training in their new subsidiaries. It found, however, that there is a distinct difference in the HRM practices employed by companies from each of the countries, influenced by the characteristic HR practices common to companies in the country of origin of the parent. This work thus shows the importance of accounting for national differences, whilst also ensuring that necessary changes are
carried out swiftly and efficiently in order to minimize prolonging the pain, as Kearney put it.

**Pomeroy (2005)**, who focused mainly on the role played by Hewlett-Packard human resources and workforce development executive vice president Susan Bowick in the HP-Compaq merger in 2001, showing the pressures that mergers and acquisitions can place on senior HR management. Further, the Human Resources Department Management Report (2005), focused on the announcement of Affiliated Computer Services Inc. that it will acquire Mellon Financial Corp.’s human resource (HR) consulting and outsourcing division in the U.S. This report examined the increasing tendency for companies to acquire well functioning human resource operations, as well as develop and focus on their own, thus voicing the expectation that the HR business process outsourcing market would grow, fuelling the so called ‘mergerama’.

**Zhu, Cooper, De Cieri and Dowling (2005)** have occurred in Chinese state owned industry. Their research firstly notes that the Chinese government has launched extensive reforms to encourage integration with the global economy and, secondly, investigates the implications for human resource management practices of the changing business environment in China, ownership of organizations, organizational strategies and strategic integration of the HR function. The results from two surveys in major Chinese cities, in 1994/5 and 2001/2, with managers of state-owned, privately owned, collectively owned and foreign-invested enterprises, are analyzed, and regression analyses are used to show that organizational strategy and organizational ownership, in contrast with earlier research, were not found to be strong predictors of HRM practices. The changing business environment in China and participation by the HR function in strategic decision-making were the strongest predictors of HRM practices, and overall, a strategic role for the HR function and implementation of ‘Western’ HRM practices are becoming more prevalent in China, although the legacy of traditional practices endures and new challenges are emerging.

**Keating and Olivares, (2007)** The study of entrepreneurship requires a holistic approach, previous comprehensive reviews of research on HRM and entrepreneurship are almost non-existent. One notable exception to this is Hayton’s (2005) review of empirical studies on human resources as drivers of corporate entrepreneurship; this study, however, does not include start-ups.

All these studies reveal the fact that number of researches have come out of human resources management subject. But a research with special reference to Paschim Gujarat Vij co.Ltd. has not been under taken to the best of my knowledge. Hence the present study attempts to study and review scientifically the working of human resources management with special reference to Paschim Gujarat Vij co. Ltd.