Course: PGDLL-04

Vardhaman Mahaveer Open University, Kota

Personnel Management and Industrial Psychology

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Personnel Management and Industrial Psychology

LL-4 Course Introduction

This Course is conceived and produced for the students of PGDLL who need to study different aspects of Industries and Labour. It will provide understanding, skill and elementary knowledge of Labour and Industrial Laws along with Personnel Management. It will train learner for career as labour, industrial and personnel professionals. It will also inculcate the understanding of national and International dimensions of these fields.

This Block contains Seventeen Units. First Unit will introduce you with conceptual aspects of Personnel Management. It will also introduce you with its evolution and growth. It will also apprise you with the importance of personnel management in industries. In second unit you will introduce you with personnel policies. It describes the aims and principles of personnel policies. The unit will prove fruitful to personnel managers in making personnel policies for his organization or industries. The third unit will acquaint you with manpower planning, its need, importance, and significance in industries. It will apprise you with job analysis, job description and job specification of a worker. The fourth unit will introduce you with recruitment and selection of personnel to manage manpower plan of organization. It suggests how estimates are made about the organization's manpower recruitment, both in terms of quality and numbers for the planned period.

Unit five will introduce you with meaning and objectives of training. How to identify training needs? It will also apprise you with training methods and their usefulness in an organization or industries. The unit six will acquaint you with promotion demotion and transfer in and organization or industries. It will help you in understanding the need of these policies in organization or industries. Unit seventh will introduce you to underlying concepts of job evaluation, process involved in it and system for implementation in organization or industries. Unit eighth will introduce you with the performance appraisal its concepts and utility in personnel management. How it is useful in analyze the methods and suggest the system of implementation in industries. Unit nine will introduce you with meaning of human factor, human relations and the basic philosophy in human relations. It will let you know how human relations can be improved. Unit tenth will acquaint you with management of discipline in organization or industries. It will apprise you

with causes of indiscipline and procedure for taking disciplinary action. Unit eleven will introduce you with meaning of grievance and causes of grievance and grievance redressal machinery.
Unit twelfth will introduce you with conceptual aspects of industrial psychology, obstacles in way of industrial psychology and how work efficiency can be improved with help of it. Unit thirteen will introduce you with leadership and its different aspects like qualities of a leader and functions of a leader. Unit fourteen will introduce you with morale, its meaning, kinds, and factor affecting morale. Unit fifteenth will introduce you with concept of motivation, its objectives, kinds and various theories of it. Unit sixteenth will introduce you with meaning, nature and measurement of the attitude. How to change attitude and how to measure it? This unit will give you idea about Haw-throne experiments and its relevance in India. The last seventeenth unit will apprise you with case laws examining the constitutional provisions regulating industrial disputes and examines the legislative competence with regards to welfare of worker.

UNIT- 1
Conceptual Aspects of Personnel Management

Objectives

After going through the Unit you will be able to understand the following

- Basic concept of Personnel management
- Evolution of Personnel Management
- Historical growth at evolution of personnel management
- Importance of personnel management.

Structure

1.1 INTRODUCTION

This unit has been prepared to familiarize you with Personnel Management the management of human resources. Just as it is for the men of finance to manage the finances of the organization for getting optimum returns, just as it is for the producer to utilize various resources in such a manner that optimum output is obtained, just as it is the business of marketing and sales men to ensure the effective sale of products profitably, so is the business of personnel men to get the human being efficiently managed so as to ensure harmony, motivation, satisfaction and above all commitment. There is an increasing realization among industrialists that notwithstanding the spills in other areas of industrial activity, absence of skill in human relationships and man power handling can nullify the effects of all other resources and inputs put together. Therefore, more and more emphasis is being placed on the human aspect. Hence personnel Management have attained an important role in the management of enterprises.

1.2 DEFINITION AND CONCEPT OF PERSONNEL MANAGEMENT

Personnel Management is the planning organizing; directing and controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end those individual, organizational and social objectives are accomplished: Edwin B. Filippo

A brief elaboration of the component parts of this dentition follows:

PLANNING: For the personnel manager, planning means the determination in advance of a personnel program that will contribute to the goals established for the enterprise.

ORGANISING : Once it has been determined that certain personnel function contribute towards the objectives of the enterprise the personnel manager must form an organization by designing the structure of relationships between jobs, personnel and physical factors.

DIRECTING: We now have a plan and an organization to execute the plan. What follows? Next is to get people to go work willingly and effectively. This, the function of directing “Is also Known as:” motivating, “actuating “or “Commanding”.

CONTROLLING: It is the managerial function concerned with regulating activities in accordance with the personnel plan which in the turn was formulated on the basis of an analysis of fundamental organizational goals.

PROCUREMENT: It is concerned with the obtaining of the proper kind and number of personnel necessary to accomplish organizational goals.

DEVELOPMENT: Development implies the increase in skills, through training, that is necessary for proper job performance.

COMPENSATION: This function is defined as the adequate and equitable remuneration of individual, societal and organizational interests.

INTEGRATION: It is concerned with the attempt to affect a reasonable reconciliation of individual, societal and organizational interests.

MAINTENANCE: If we have executed the foregoing functions well we are sure to have a willing and able work force. Won't you be interested to retain this state? You would and that effort is the maintenance function.

SEPERTION: The last component i.e. separation implies return of the person to society.

According to Dale Yoder "Personnel Management" is that phase of management which deals with effective control and use of manpower as distinguished from other sources of power, The method, tools and technique designed and utilized to secure the enthusiastic participation of labour represent the subject-matter for study in personnel administration.

Personnel management is that part of the management function which is primarily concerned with human relationships within an organization. Is objective is the maintenance of those relationships on a basis which, by consideration of the well being of the individual enables all those engaged in the undertaking to make their maximum, personal contribution to the effective working of that undertaking. (Indian Institute of Personnel Management, Calcutta in Personnel Management in India, 1974).

1.3 EVOLUTION OF PERSONNEL MANAGEMENT

I Evolution: Prior to the industrial revolution:

You know what personnel management is, but how did it acquire the present state? Well, no specific record is available as to when and how personnel management emerged exactly. Interest and concern with the utilization and organization of human resource is found in evidence since antiquity and may be traced in the philosophic, religious and military writings of both ancient and medieval times. Certain aspects of currently understood concepts and practice of management of human resources may be seen to have their origins deep; in history. For instance, "The minimum wage rate" and the incentive "wage plans" were included in the Babylonian code of Hammurabi around 1800 B.C. historically the development of personnel management has been evolutionary, being influenced by various gradual changes in the course of its growth. It may be broadly said that personnel management began to appear as people started to work collectively.

Before the advent of Industrial Revolution, Distinct types of working relationships involving the masters (employers) and the employees are labeled variously as "Slavery" "Serfdom" or "The Guild System. "The beginning of early personnel management may be traced to Guild System in the initial stages of industrial economy popularly known as "Handicraft Stage" cottage industries were established which gradually created a separate class of handicraft men or artisans. These craftsmen and their trainees formed associations called "Crafts guilds", to look after such aspects as price and wage determination etc. The Guild System, may be considered as the beginning of early personnel management because under this system the classes-the master (employers) the travelling journey men and the apprentices made a closely knit group which involved: "Selecting training, developing, rewarding and maintaining work-force."

II - INDUSTRIAL REVOLUTION:

Its impact on growth of Personnel Management: You will agree that before we discuss the impact of the industrial revolution on personnel management we should try to recall what changes had been brought about by the industrial revolution.

It brought forth extensive use of machinery and mechanical energy resulting in to establishing of factories employing vast men power. The old direct and close employer and employee relationship was disturbed .The Place of work because the central work place where people worked under a common roof rather than in their home. The opportunities of employment for unskilled man power was reduced which made training and development of work force an important economic and social necessity. It also brought forth the problems of congestion, insanitation unsatisfactory, working and living conditions, health and accidents etc. All these factors drew considerable attention towards the desirability and importance of employee welfare. Specialization developed to a very great extent of aspect of industrial activity including personal Management.

III - SCIENTIC MANAGEMENT: Its impact on growth of personal management:

"Personnel Management" as it is today may be said to originate from the U.S.A. as the child of scientific management. The term Scientific Management describes significant changes in the management philosophy and methods which took root among the industrialists in the early 1900,s.

It Signifies a movement started by the early observers of the management process who wanted to develop systematic planning and more orderly directing organizing and controlling of work to develop systematic planning and more orderly directing organizing and controlling of work and workmen with increased use of measurement, wherever possible. Taylor, Henry Grantt, Frank Gilbreth and Lillion Gilbreth the industrial engineers of that time were concerned with developing techniques for the maximization of the productivity goal thought the effective Utilization of human recourses and they believe that the contribution of human factor to the attainment of high productivity levels could be considerably increased appropriate use of through the appropriate use of selection use of selection, training and monetary incentives.

Taylor's scientific management constituted first real attempt originating from the management itself to achieve a means of utilizing human resources that would be optimal from both the company and the individual point of view. This is l reflected in personnel management of today.

Trade Union: it's influence on Personnel Management:

The Rise and growth of trade unionism has been another major influence on the development of personnel management the advent of Industrial Revolution and the changes brought about by it led to the development of trade union. Trade unions were formed to project the workmen against unscrupulous employers and to secure improvement in wages conditions and hours of work, it security employee benefit and services. How do you think did it influence the development of personnel management?

Growth of trade unionism significantly influenced the development. Personnel management in certain activities such as the adoption of grievance handling system, the acceptance of arbitration as a means of resolving conflicts of rights disciplinary practices, the expansion of employee benefit programmers, the liberalization of holiday and vacation times, clear definition of job duties. Job rights through seniority and the installation of rational and defensible wages structures. The social welfare tradition in personnel management as reflected in the emergence of so called social or welfare secretaries in the United States is an outgrowth of trade unionism.

Human relation Movement its impact on personnel management

A series of famous experiment began towards the end of 1920, at the How Thorne plant of the western Electric Company near Chicago. The Experiments were initiated with a view to studying the effects of physical factors such as lighting and ventilation on workers' productivity. It was found that the rise in production during the experimental period was not due to physical conditions of work only. Productivity was prim ally affected by the emotional state of the employee, his relationship with other people particularly those with whom he worked and by the amount and kind of attention he received from his superiors. The Hawthorne studies heralded a new movement "Human relation Movement".

The basic conclusion of the researchers that sociological and psychological phenomena often exerted even greater influence on the output than physical by measurable conditions of work did provide the personnel management with a major justification for their employee welfare programme.

Behavioral Sciences:-

So Far we have covered the period up to 1955. What follows next is the behavioral sciences movement. Behaviors sciences include economics, anthropology, sociology, psychology, political science, physiology and psychiatry. The behavioral science movement was an outgrowth of human relation studies. Some far reaching and persuasive criticism of human relations as it existed came from eminent scholars and thinkers like Harold j. Leavitt, Donald R.Schoen and J. Whistler. Human relations philosophy and practice were subjected to a health reassessment based on solid foundation of the past rejecting the superficial and extending the beneficial personnel management has gained a lot-both in theory as well as in practice form the knowledge accumulated in behavioral science disciplines as shown in the

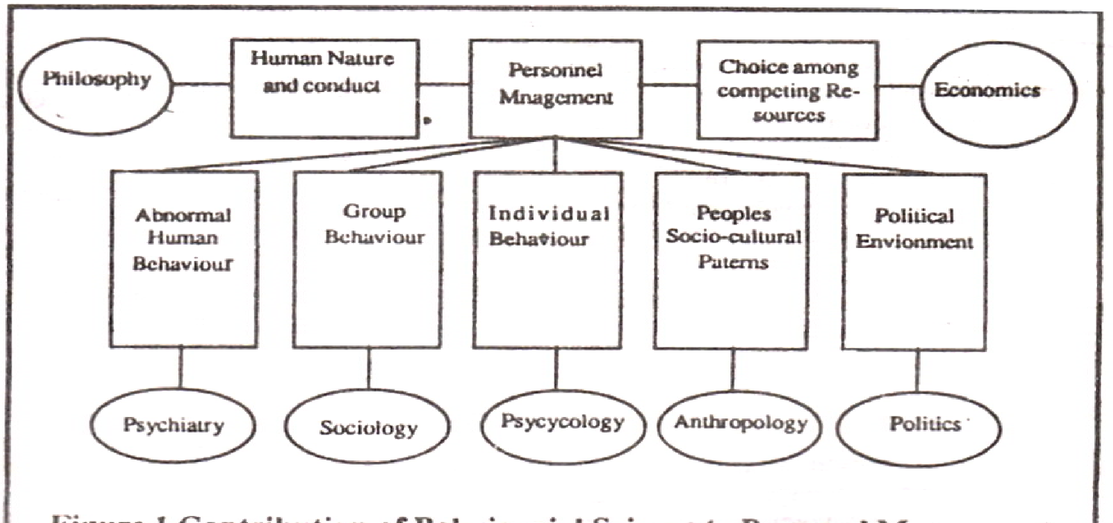

Figure 1 Contribution of Behviourial Scinces to Personnl Managment

INDIAN SCENERIO

So far we have moved through evolutionary stage of personnel management in western countries. However you may be tempted to ask if it followed the same pattern in India. Unlike west origin of personnel management in Indian can be traced back to 1931 when the Royal commission on Labour recommended the appointment of labour Officers to deal with the recruitment of labour and to settle their grievances. After Independence the Factories Act, 1948 (Sec49) made it obligatory for an establishment employing 50 or more workers to employ the prescribed number of welfare officers. Under the Mines Act the limit was for 500 or more workers and under the Plantation labour Act, 1951 it was for 300 or more workers. These Act's also laid down the manner of their appointment, salaries and conditions of service and duties to the performed by then (that include those concerned with welfare, day to day personnel administration and industrial relation). The growth of trade unionism and the increasing Strength of the labour force on the scene made personnel administration an important aspect of industrial establishment. Personnel Management may be said to be specifically recognized in India in 1951, when a personnel officer was appointed in a chemical concern in Bombay with regular personal management functions as we understand then today. The personnel management function in India today have come to include the welfare aspect the Industrial relation as well as the personal aspect or recruitment, selection, promotion, training and development, wages and salary administration.

Most of the development of personnel management in India has been due to government intervention and regulations. In 1931, the Bombay Mill owners Association appointed labour officers to settle grievances and disputes. In Bengal under the directions of the Jute Mills' Association, similar officers were appointed for setting up food, shops and promoting sports and welfare activities. However, the real effort was made with the enactment of the Bombay Dispute Reconciliation Act, 1934 which provided for the appointment of Government of labour officers to deal with labour grievances. Subsequently during the world war II, the function of labour officers were further enlarged, under the impact of social reform movement in the country growing concern for improvement in labour administration and the development of modern concept and practice of management, so as to include to the welfare, personnel and industrial relation activities. The labour officer became a welfare officer. The amended Factories Act, 1948 (Sect49), Mines Act and the Plantation Act, 1951 made obligatory to appoint welfare officers in the establishment employing 50 or more workers in the case of factories and 500 or more workers in the case of plantations. The model factories rules framed by the central govt.(rule7) prescribed the following duties and responsibilities of labour officers.

(1) To establish contacts and hold consultation with the factory management and workers.
(2) To bring to the notice of the factory management the grievances of the workers, individual as well as collective with a view to securing their expeditious redress and to act as a negotiation officer with the trade unions.
(3) To study and understand the point of views of labour in order to help the factory management to shape and formulate the labour policies for the workers in a language they can understand.
(4) To watch the industrial relation with a view to using his influence in the event of a dispute arising between the factory management and workers and to bring about a settlement by persuasive efforts.
(5) To deal with the wage and employment matter by join consultations with the factory management and the workers representative bodies.
(6) To exercise a restraining influence over the workers going on illegal strikes and over the management, declaring illegal lockouts and to help in preventing anti social activities.
(7) To maintain to a neutrals attitude during legal strikes or lockouts and to help in bringing about a peaceful settlement.
(8) To ensure fulfillment on the part of the factory management, of obligations statutory or otherwise, concerning the application of provisions of the Factories Act, 1948, the rules made there under and to establish liaison with the factory Inspectors and the medical services men concerning medical examinations of the employees health records, supervision of hazardous jobs, visiting the sick and the convalescents prevention of accident and supervision of the safety committees, systematic inspection of plants, Safety education investigation, of accidents, maternity benefit and work's compensation.
(9) To promote relations between the factory management and workers which will ensure productive efficiency as well as ameliorations in the working

conditions and to help workers to adjust and adopt themselves to their working environments.

(10) To encourage the formation of works and joint production committees, co-operative societies and safety first and welfare committees and to supervise their work.

(11) To secure provision of amenities, such as canteen, shelter for rest, crèches, adequate latrine facilities, drinking water, sickness and benevolent scheme for payment, pension and superannuation funds, gratuity payment, pension and granting of loans and legal advice to workers.

(12) To help the factory management in regulating the grant of leave with wages and other legal privileges and to guide workers in the matter of submission of application for grant of leave for regulating authorized absence.

(13) To secure welfare provisions such as housing facilities, food stuffs, social and recreational facilities, sanitation advice, individual personnel problem and education of children.

(14) To Advice the factory management on questions relating to training of new starters, appendices, supervision and control of notice board and information bulletins to further the education of workers and to encourage their attendance at Technical Institutes.

(15) To suggest measure which will serve to raise the standard of living of workers and in general promote their well-being.

This list of duties stated above is quite comprehensive. The rules framed by the different state Government follow a similar pattern. Many of the state government have also made rules regarding the number of officers to be employed, method of recruitment terms of service. Qualifications and salary scales. In practice the state of welfare officers differs from factory to factory. In some progressive units he is given functions responsibilities and states which generally go with a Personnel Manager; in many others he has been appointed to meet the statutory obligations only. In 1951 a personnel officers was appointed in a chemical concern in Bombay with regular personnel functions involving selecting training and development promotion etc. now the shift in the direction of HRD (Human Resourced Development).

HRD a new dimension: Let us see what is Human Relation Development (HRD) System and how is it different from the traditional personnel function. In the traditional personnel function the concept of development was confined to training. The main emphasis in training was on the development of individual skill and capabilities to training. The main emphasis in training was on the development of individual skill and capabilities in person working in the organization This concept of training does not go beyond a point in increasing effectiveness of organization attention should also be given to the persons group of employee and his boss. Then several groups like committees need to be attended to finally the total member of the departments and the total member of the organization should be covered for development. Their developments would in evolve a climate which is conducive for their effective developing of a self-renewing mechanism in the organization so that they are able to adjust them self in developing a relevant process which contribute to their effectiveness. Some of the features of HRD are.

1. It is sub system of a larger system (Organization):
2. The main task is to develop is to develop enabling capabilities (probating role) :
3. All managers share the responsibility of Human Resources Management :
   It believes that people are motivates by challenges and opportunities for development and creativity rather than by money.

You should understand that HRD is an effect to reorganize the personnel function with much more emphasis on people in the organization than given to it by its traditional role.

1.4 OBJECTIVES

Let us start by first understanding the meaning of the word “Objective” All organizational activities are undertaken to facilitate the achievement of a desired objective i.e. the end towards which the activities of the organization are aimed. That is to say the word objective implies some predetermined goals which are sought to be fulfilled individually or collectively in any working organization.

Now you may ask why organizations need objectives. Several reasons can be given to bring out the importance and necessity of objectives.

Firstly the objective of working organization are raison'd' 'etra' for policies – management policy is selected to attain pre-selected goals

Secondly predetermined objectives serve as standards for the measurement of the organization performances.

Thirdly, Voluntary co-operation and co-ordination between the employees at all laves of the management cannot be obtained in the absence of a set of pre-determined and accepted objectives

Last by the direction or human resources has to be goal oriented people must have a purpose in performing work. With this background let us concentrate on the objectives of personnel management. Broadly speaking they can be grouped as (1) Primary objectives and (2) Secondary objectives.

PRIMARY OBJECTIVES:

(1) Personnel departments should help in selecting the right persons in the right number, for the production, finance and marketing departments, to ensure production and distribution of goods and services.

(2) Personnel department should create an environment of mutual trust and co-operation among the people in the organization

(3) Third objective is to fulfill the social responsibility of the organization that is responsibility towards the consumers, employees, government, environmental protection and the community.

SECONDARY OBJECTIVES

(1) It is the responsibility of the personnel management to attain the above primary objectives economically and effectively.

(2) A good classification of personnel objective is attempted by Michal J. Jucius. He believes that the objective of personnel management are :

- Attaining economically and effectively the organizational goals
- Serving to the highest possible degree the individual goals and preserving and advancing the general welfare of the community.
- Recall the definition given by Edwin B. Filippo.

"Personnel Management is the planning, organizing, directing and controlling of procurement development, compensation, integration, maintenance and separation of human resources to the end that individual organizational and societal objective are accomplished the figure 2. Below reflects how the three pronged obligations are related.

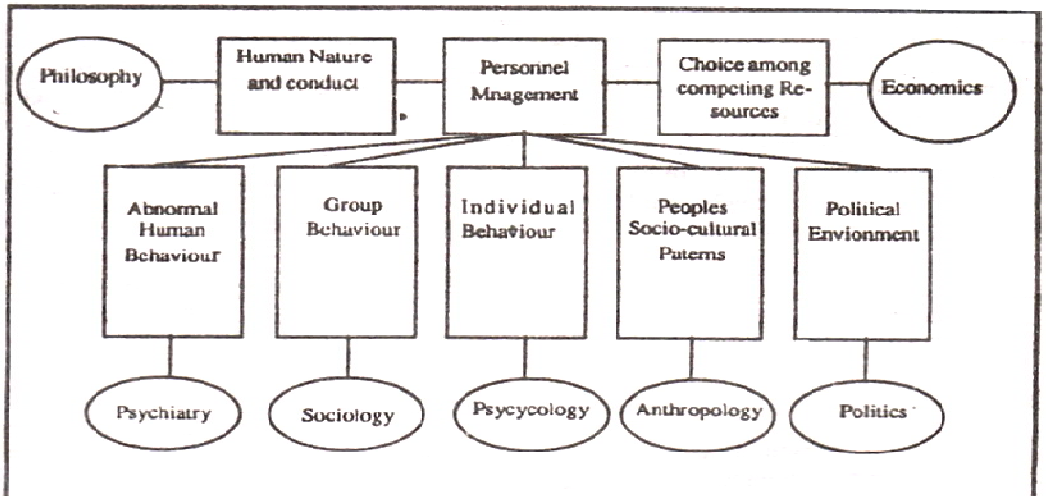

Figure 1 Contribution of Behviourial Scinces to Personnl Managment

Indian Tobacco Co and Personnel Management an Example:

In regard to the function of Indian Tobacco co. Ltd. the man objective are stated as:

(1) **Planning Manpower requirements -** To anticipate and provide for future openings and to seek and attract qualified applicants to fill the existing Vacancies.

(2) **Organization the Manpower resources -** To determine the organizational structure and manpower needed to meet effectively the company objectives, to analyses the applicants qualification for determining their suitability and to assign officially to each employee to an appropriate position clearly defined regarding its responsibilities.

(3) **Staffing -** to ensure that the new recruits are providing with appropriate training and information to enable them to perform their duties effectively, to further: provide for the individual employee's development and to arrange programmers as required for developing it's the existing personnel.

(4) **Motivating** - To set rupee values on job position that are fair and equitable when compared with the other position in the company as well as with what prevails, outside to provide facilities for employee's enjoyment off the job and make company more attractive and satisfying as at work place to provide the needed exchange of information through-out the organization to build up rapport with officially recognized and legally established employee's organization in the best interest of both the company and its employees and to develop effective work regulations and harmonious working relationships.

(5) **Controlling** - To appraise objectively each employee's performance in relation to the duties and responsibilities assigned to help employees solve their personnel problems to develop facilities and procedures for the prevention of on the job accidents to prevent diseases and physical ailments as well as the causes for the diseases, ailments and injuries incurred by the employees on the job to provide precautionary measures for safe guarding the company and its property from the theft fire etc. and to develop improved employee attitudes and conditions of work.

1.5 IMPORTANCE

Some of you might still be wondering what is so important about personnel management of the four factors of production money, machine, material and men it is the management of men that is the most important The important of personnel management has been expressed with the analogy of the human body thus "Personnel Management is not the brain the controller only just a link, a member nor yet the blood stream ….. the energizing force is the nervous system …………… the nervous system can never be thought of an adjunct of the body no more can personnel management be and extraneous or superimposed element on the structure of an organization. The personnel function lies embedded in the dynamism of that structure and is an integral part of the process of management "itself".

You will agree that all organizational activities are initiated and implement by the people the success or other wise of an organization depends on how well its human resources are utilized managing the people is the heart and essence of management. Obviously, personnel management is the central and most important task, to the extent that all other functions depend on how well it is done. Machine, money or material are non living factor in production Fig. 3 Explains the interrelationship between these factors of production, money, machine and material that are inert. Men with his ability t think conceive and to plan utilizes these inert factors to give production.

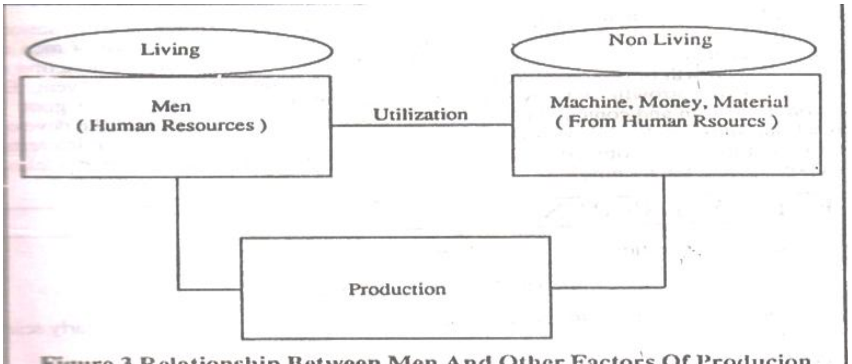

Figure 3 Relationship Between Men And Other Factors Of Producion

Thus management of men is prime importance in any Endeavour. They are a great asset to the organization but they are liable to create critical problems if the organization is unable to manage them efficiently and properly. Mismanagement, Improper/Inefficient management of men has been one of the crucial factors underlying the present state of affairs in the developing countries such as India. So far we have ignored this fact by taking the management of men for granted. The moment we put our house in Oder in this respect, the nation can legitimately aspire for the desired thrust towards its socio economic goals of late, it has been emphasized by economic development specialists that the provision of capital or technology alone does not bring about the required development. The limiting factor in almost all the cases has been the lack of quarry and vigor on part of the managers. The prominent investor journal, Forbes on the basis of the study of American business firms for a number of year remarked that companies succeed almost invariably to the extent they are well managed. The Bank of America in its publication, small Business Reporter, stated that "in the final analysis more than 90% of business failures are due to managerial in competence and inexperience". The newly recruited managers and employees in India usually do not have the required experience or orientation. They can only prove to be an asset if they are trained and developed properly. Here incomes the role of personnel management but the story does not end here. There should be provision for their advancement and promotion. The employees and managers have to be retained by the organization

They should derive satisfaction from the job. They should have the motivation to work in spite of the best efforts on the part of the management if the employees violate the work rules and create indiscipline, disciplinary action have to be taken. If the employee has to be removed from service the legal aspects of the separation process need to be attended to who is responsible for all these function? Obviously it is the personnel department that is entrusted with all these functions Thus; the importance of personnel management cannot be questioned. In any organization, while the personnel function if performed carefully and properly can help in a wide range of activities in a since every manager with the organization, whether he is the in charge of production or marketing function is a personnel man since he has to deal with and get his work done through and with people, it has been rightly said that management "is a multipurpose organ which has three jobs two of which are directly related to personnel managing a business managing, manager, managing workers and the workers and the work" Personnel management or management of human resources is most crucial aspect of an organization which decided the success or other wise of its efforts towards the realization of its objectives.

1.6 SUMMARY

Men/Women (Human resource) are the most complex factor in an organization. The variety of characteristics, perceptions needs attitudes and behavioral pattern of men makes personnel management the human side of management, the most challenging function of any organization. The growth of personnel management as a profession is only a recent event. Even in the short span of its form and content. Personnel Management has a central role in the development of organization. The objectives of personnel management are to integrate employee interests, with societal expectations. The objectives of personnel management serve as the guidelines for personnel policies and programme.

1.7 SELF ASSESSMEN TEST

Answer the following questions in one each :

1. Discuss the relevance of personnel management in India.
2. "Personnel Management today is essentially the same as that viewed by the early scientific management,. Discuss.
3. Mention the objectives of Personnel management. Discuss the social objectives of personnel management.
4. "Human relation is …… the beginning and the end of management job".

1.8 KEY WORDS

OBJECTIVIES: Predetermined aims or ends which individual or group activities in an organization seek to accomplish.

Industrial relation: A set of relation arising out of the employee relationship in the modern industrial society.

Human resources: Is a comprehensive tern which encompasses all activities concerned with Human Element. Human resource or human element is the most important element in an activity because it is the living being which initiates all other elements. Human management or personnel Management is therefore, the most important part of an organization and most important area of management.

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UNIT - 2
Personnel Policies

Objectives :-

After going through this unit you should be able to:

- Appreciate the role of personnel management in the industrial world.
- Recognize the significance of "policy" in the field of management.
- Indentify that personnel policy in an integral part of the overall corporate policy.
- Display familiarity with the aims and principles of personnel policy.
- Understand how the ultimate responsibility for formulation and implementation of personnel policies docs not rest with the personnel management.

Structure :

2.1 INTRODUCTION

Morris Hurley has observed that “whereas scientific management had sought to reduce the worker as nearly as possible to the status of a robot with automatic movements and predictable reactions, personnel management made the worker, rather than the machine he operates the centre of activity” the work is regarded under this concept as an individual being with human qualities and personnel aspirations. It is a historical fact that the expanding scale of operations in an organization, given rise to greater separation of management and labour Personnel management believes that the remedy for the “Impersonality” of friction, with a spirit of co-operation, and with a high regard for the basic interests of all the members of the organization According to Paul Pigors and Charles Myers. “Personnel administration is a method of developing the potentialities of employees so that they will get the maximum satisfaction out of their work and give the best efforts to the organization”.

With the advent of personnel administration, the whole concept of organizational goals underwent a great change. It has how been realized that a working organization does not simply provide service or produce goods. Its Justification lies in simultaneously promoting efficiency and worker-productivity and protects the physical, human and social environment. Although the choice of goals and the priorities attached to them vary among organizations. Peter Ducker has summed up the principal goals in three categories:-

(i) Achieving the specific purposes of the organization.

(ii) Making the work productive and the worker achieving, through, motivation, participation and incentives and

(iii) Managing social impacts and social responsibilities, since the organization exists to satisfy the needs of the people and the society.

It is evident from the above mentioned fact that one of the major concerns of an organization now-a-days is its own employees. A whole hearted response by the individual in giving his best work-effort to the organization is the ideal sought by the personnel administration through personnel policies.

2.2 Personnel Policies

What are these personnel policies? Personnel policy is not isolated document, but it is an integrated part of the overall corporate policy and objectives. It would therefore be worthwhile to first understand the significance of corporate policy.

Corporate policy:

Meaning: The effective achievement of organization goals in coordinated by guidelines of management policy. Policies are the statement of organizational overall performance and its objectives in the various areas such as personnel, finance, production, marketing etc. Policies are established in the light of the goals to state the intention of what the organization proposes to do

Need: Policy guidelines are issued to routines decision-marking in area was problems of a similar nature repeat themselves frequently. Thus policy serves as a control mechanism in Oder to restrain the managers from undesirable action or mishandling the situation. Policy is also a continuing guideline for actions to meet the desired objectives. Policy statement is a positive declaration and a command to the organization to follow the selected routes

Yoder has laid down that organization policy is a body of selected intentions or courses that are established and communicated to:

(i) Facilitate achievement of organizational-goals.

(ii) Provide guide lines and thus maintain consistency and continuity in planning, strategy and day-to-day decisions.

(iii) Support confidence in expectations regarding the role to be played by the reaction of individuals and about their routine decisions.

(iv) Serve as a yardstick in evaluation performance.

Personnel Policy:

Meaning: Armstrong observes that “every time you make a general statement on how staff should be treated you are expressing a personnel policy”. Yoder maintains that personnel or labour or industrial policy provides guidelines for recruitment selection, training and development, compensation, motivation and other wise leading and directing people in the working organization. Personnel policies serve as a road-map for the managers.

Need: personnel policies suggest major strategies to be followed leaving it to the managers to plan specific tactics to implement those strategies. The stage is thus set for a wide range of PAIR programmers (Personnel Administration and Industrial Relational programs).

Personnel policies should have two-fold broad objectives. Firstly, the general objective-to express top-manage mental basic philosophy of human resources reflecting the conviction as to the importance of people in the organization. Secondly, the specific objectives-to spell out the various activities of the personnel department.

The basis of formulating the personnel policies should also be dual to serve as a guideline for action through a formal statement of corporate thinking and also to establish parity among all the employees by assuring consistency in the application of policies across all the departments and all the levels of personnel.

Characteristics:

Personnel policies and practices are best worked out on individual basic by every organization as marketing, production and financial policies and practices are evolved. There is no satisfactory substitute for such a tailor-made programme. The reason is obvious for policies are influenced by several factor the culture of the plant, technology, business, social, political and economic environment, government legislation, extent of unionism attitudes of labour and management ethical view etc.

Personnel policies may be centralized when these are formulated at the head office, and apply throughout the organization scattered over different locations. Another category of personnel policies is functional group of policies which are grouped for different categories of personnel e.g. the supervisory group the management group etc.

Personnel policies should be stable yet flexible. Stability tends to create a climate of security about the future. Flexibility enables the organization to introduce change that is necessitated by the environment legislation employee needs or corporate goals.

Personnel policies need no necessarily be written down or formalized. But unwritten policies may be misunderstood or a gap may be left. There is also the risk of employees concluding that their own interest at cross-purposes with that of the organizational interest, while ideally both should coincide. There is an added advantage of written policies-employees derive motivation from policy statements.

2.1 INTRODUCTION

Among other things, Personnel policy statement should incorporate the following objectives:-

(i) Achievement of organizational goal :

The foremost aim of personnel policy should be it enables the organization to achieve its goals effectively, efficiently and economically. To this end the policy document should state in unambiguous terms the basic philosophy of the organization towards its employees. It should be supported by firm declaration as to the organizational conviction in the dignity of human resources.

(ii) Providing Efficient Man-power Planning:

Man-Power is a major resource for an Organization. However it is also a major cost and as such needs proper planning. Geisler has defined manpower planning as the process including forecasting developing and controlling, by which a firm ensures that it has the right number of people and the right kind of people, at the right place at the time doing work for which they are economically most use full. "Personnel policy's Primary concern should be efficient man-power planning".

(iii) Providing Healthy work-conditions and safety:

To make people work to the best of their ability, safety and healthy working condition are a must. Besides wages, employees take into account the spam of working-hours, the physical working-conditions that ensure safety by minimizing the risk of accident, illness and occupational diseases and the work-place environment. Personnel policy should spell out medical health and safety services and programs.

(iv) Providing Security of employment:

Maintaining continuous interest in the success of the organization on the part of the employees should be a concern for the personnel policy. Employees when not haunted by the uncertainties of further, have the tendency to gradually improve their performance and make out a better place for themselves in the organization there should be a provision in the personnel policy for the services of the employee.

(v) Adopting training and development schemes:

Armstrong maintains that "your staff is an investment from which you want a quick and increasing return and they also want the opportunity to acquire skills and knowledge and to grow with you". This can be achieved by introducing proper training and developmental schemes.

(vi) Providing Fair and Just Wages:

The primary concern for a man is his economic well being, which presently could be mostly attained through monetary resources, because a large part of compensation that people receive from work is in money-wages. Pray affects the way people work-how much and how well. Personnel policy would aim at providing fair, adequate, and competitive wages matched with both the productivity and the socio based primary needs of the workers.

(vii) Developing Welfare Measures:

The Encyclopedia of social Science defines labour welfare as, "The voluntary efforts of the employers to establish within the existing industrial system, working and sometimes living and culture conditions of the employees beyond that which is required by law, the custom of the industry and the conditions of the market". It speaks for measures which promote the physical, psychological and general well-being of the working population. It is through labour welfare activities like housing, education, recreation, transportation, cooperatives etc. that the organization discharges its social responsibility, raises the employee's moral by increasing his allegiance and loyalty and reduces labour turnover. Personnel policy should therefore aim at providing welfare schemes also.

(Viii) Appraising Performance:

Personnel policies, objectives and plans are valueless-unless they are implemented effectively and uniformly at all levels of an organization. It is therefore, essential for the management to establish standards of performance for each category of employees and evaluate their performance against such standards. Personnel policy should provide for rewards for good performance and corrective actions for sub-standard results.

(ix) Motivation the Personnel:

Taking people on is one thing. Making them work efficiently may be quite another matter. What the organization wants to achieve through them is not necessarily what they want. Everyone has to be encouraged and inspired to give his best efforts willingly for the attainment of organizational goals. Personnel policy should lay emphasis on the positive aspects of motivation.

(x) Developing Management Leadership Styles:

It is the team work in the organization that counts and there is a tendency in the team to look towards the leader for planning and directing, for initiative and support for counseling and guidance etc. Only and effective management leadership can pool together the individual and group efforts for the realization of corporate hold leadership.

(xi) Offering Consultative Participation in Management:

Saul Gellerman observe that each person has concept of what he is what he deserves and how he should be treated. Over-and-above the realization of basic needs, the ultimate motivation should aim at making this self-concept real. Most people have a need to be treated as valuable individuals and to become the person they are capable of becoming. Such a constructive concept can be materialized through fostering the sense of mutuality of interest and joint responsibility in the smooth and successful running of the organization on the part of the employees. An environment free from prejudice, wrong notions and misunderstandings has to be created to bring both the management and the employees to a common platform through joint management councils, work committees and the like to encourage exchange of views on the problems.

(xii) Establishing Effective Grievance Handing Machinery:

Where people are employed problems are inevitable. Some of these problems are employer-made for they might have treated the employees unfairly or might have failed to take into account their reactions of them. Other problems arise because employees are uncooperative and ineffective. Not paying attention to the employee's dissatisfaction or handling the situation in a wrong way may lead to chain reactions affecting adversely both the economic and the social health of the organization. The personnel policy document should ensure that grievance procedures will be handled earnestly and in word and spirit.

(xiii) Developing Healthy Industrial Relationship:

Industrial life creates a series of social relationship, Chief among these being the labour-employer relationships which are becoming increasingly complex, extending their impact on the economic social & Political life of the community as a whole. Personnel policy should be aimed towards healthy industrial relationships by recognizing the role of labour unions and other informal groups in developing congenial relations, maintaining industrial peace and safeguarding industrial democracy.

(xiv) Developing Cooperative Spirit:

Organizational goals can be achieved through the whole-hearted cooperation of its work-force. Cooperation is to be sought only by convincing the employees that in attaining the goals of the organization they would simultaneously be serving their own interests. Personnel policy should aim at creating an environment of made for each other "between the organization and the employees".

2.4 PRINCIPLES OF PERSONNEL POLICIES

The success of personnel policy lies in coinciding the objectives and value of both the organization and the employees. In working for the attainment of the organizational goal the employees too should achieve their personnel goals. Theoretically it may be a simple arithmetic of give and take the employees giving out their best efforts and getting in turn maximum possible satisfaction of their needs. But in practice the picture may be quite different depending upon the extent to which the management has followed the basic principles of personnel policy on the one hand and the spirit in which the employees have sensed the limitations of the organization in coming up to their expectation and aspirations.

Personnel policy should be based on the Following Principles:

(i) Principle of Upholding the Dignity of human Resources:

J.M. Dietz has observed that a business of an industry can be thought of as an interweaving of human elements and material elements, with the human as the warp and the material element as the woof of the fabric. The warp of the fabric is the strength giving element holding the entire fabric together and giving it life and a character of continuity. Personnel policy should be centered around the principle of uploading the dignity of human resources in the entire planning.

(ii) Principle of uniformity:

Personnel policy should cut across all the levels of management and workforce at all places and at all times. Discrimination based on caste, creed, color, sex, languages, places, status and position in the matter of selection, promotion, transfer, placement, rewards and penalties etc., breeds contempt which could destroy the very fabric of the organization.

(iii) Principle of putting the right man in the right place:

Magginson maintains that "personnel administration refers to creating, developing and utilizing a work group and involves all types of interpersonal relationships". It relates to managing people from lower to upper level and embraces policy determination by the top administration, as well as implementation of policies by the personnel at the lower levels personnel policy should therefore, be based on the principle of selection and placement of the right man, for the right job, at the right time and at the right place-so as to from an ideal work-group.

(iv) Principle of term spirit:

An organization is not just the sum total of its people. It is homogeneous body representing collective force with an inherent strength to achieve much more than the aggregate of individual achievements. Personnel policy should aim at channelizing individual efforts in an integral from towards the attainment of organizational-goals.

(v) Principle of employee's safety and health:

Several research studies have revealed that living organisms brought up in an enriched, as compared to an impoverished environment show marked changes in their abolition and variations in their performance because of the variations in the elements of work environment. Subjective feelings of fatigue and boredom are often explained in terms of an individual's need for stimulation. Personnel policy should follow the principal of stimulating the employees by providing a healthy and suitable work-environment.

(vi) Principle of equitable compensation:

Among other things personnel administration aims at attracting, retaining and motivating people of the required caliber. Keeping in to this aim, compensation packages should encompass factors like adequacy of wages, social balance, supply and demand fair comparison, equal pay for equal work and work measurement. The package could comprise monetary as well as non monetary components like job satisfaction, responsibility, creativity etc.

(vii) Principle of orienting and training:

Personnel administration has not only to take the house to water, but also to make the horse drink water. To get the best out of its employees, personnel policy should recognize the need of training and development programs to (a) Shorter their learning time and enable them to reach their peak of efficiency as quickly and economically as possible (b) Improve the performance of the existing staff and (c) Help people to develop the skills and knowledge to meet partially at least, Future manpower requirements of the organization.

(viii) Principle of economic and social security:

Man in general is forward looking. While concerned about to-day he thinks of tomorrow also. He often accommodate with the present in the expectation of gainful future. Personnel policy should adopt the principle of security and besides providing continuity in employment offer economic and social security against sickness disability old age etc.

(ix) Principle of Motivating:

The success of an organization does not depend safely on the quality of the personnel it has enrolled. It is the willingness of the employee to respond to respond to organizational requirements that is equally important. Personnel policy should be based upon the principle of motivation the employees towards productive performance.

(x) Principle of growth:

Apart from a few exceptions people wish to carve out a future in which they would be better placed. They seek opportunity for growth so as to exercise their talent more responsible and in a more rewarding way. Personnel policy should be so tailored as to offer equal opportunity for growth to all the employees.

(xi) Principle of carrot and stick:

People learn by observation and experience. Seeing people rewarded for their efforts and achievements and watching other being personnel policy should follow the principle of carrot and stick recognizing by work and also taking to task for the failures.

(xii) Principle of Feedback:

The principle suggests that the personnel management should be informed about the degree of effectiveness of the personnel policies and the progress of personnel plans and programs throughout the organization. The communications net-work should be so designed as to feed relevant information back to key personnel in time for them to act on it.

2.5 PROCESS OF POLICY FORMULATING

Personnel policies are designed mainly for promoting harmonious relationships between the management and the personnel and also ensuring the organizations viability. The ultimate responsibility for policy formulation and enforcement lies with the top management who in turn depend upon the personnel department in discharging this function. This following process is usually followed in the formulation of personnel policies:

(i) Policy initiations:

The need for the formulation of policy can be felt at any level to standardize decision-making on problem which crop-up repeatedly faced with a constant need to handle "work-to-rule" tactics adopted by the employed in an office to slow down the progress of work might ask for a specific disciplinary action policy to be instituted. Even trade union may agitate for the formulation of the policy in areas like promotion where no clear policy exists. Such a need for policies points out the policy-need areas. It is from this stage that the personnel management picks up the thread to initiate and formulate policy. Most of the policy-need areas are indentified by the personnel management based on their knowledge and experience in this field.

(ii) Draft Proposal:

A detailed analysis of the problem is undertaken through studying written records, pat decisions on specific issues, management circulars, awards of courts, legal enactments, other company practices, a discussions and discourses with the management and experts. The democratic process of seeking the view of various groups in the organization on the draft proposal removes doubt about the justification of the proposed policy make it most acceptable at all levels and keeps it in harmony with the practices, procedures, rules, other policies and above all the goals of the organization. The proposal might be amended or redrafted in the light of such suggestions and criticism as may come-up from the various groups. The final draft is then submitted to the top management for approval. Even at this stage there might be some changes in the top management for approval. Even at this stage there might be some changes in the wordings of the draft or guidelines be given about the whole exercise.

(iii) Implementation and follow-up:

Once the policy has been adopted by the top management it is the personnel department which communicates it to the employees at all the levels and the worker's union if any. The personnel administration monitors and controls the implementation of the policy through a system of feed-back. The policy is constantly evaluated in terms of attainment of organizational goals and promotion of better employer-employee relationship. Through periodical reviews necessary adjustments of minor natures may be made in the policy.

2.6 AREA OF PERSONNEL POLICIES :

Armstrong has summarized the areas of personnel policy through the following check-list.

(i) How people in the organization should be created and to what extent a good quality of work-life and welfare schemes are to be provided?

(ii) Employment: What quality of people does the company want and how much security and opportunity for growth it is prepared to provide?

(iii) Pay: What is the level of wages in relation to market rates?

(iv) Career and Promotion: Is the company offering long term career prospects without any discrimination?

(v) Training: How much importance does the company attach to training for improving performance?

(vi) Industrial Relations: What is the attitude of the company towards recognized trade unions?

(vii) Participation: To what extent workers participation in management is agreeable to the company?

(viii) Health &safety: How is the company going to look-after the health and safety of its personnel?

2.7 ROLE OF PERSONNEL MANAGERS IN THE PERSONNEL POLICES

Yoder observes that personnel management is in a large measure a process of coordinating reconciling and integrating the goal of the individuals within the organization to maximize the achievement of organization-goals. It seeks to convince each participant that he can maximize progress towards his own goals by maintaining or increasing his commitment and contribution to the organization. Personnel management involves all types of interpersonal relationships in the organization. It embraces policy determination by the top administration as well as implementation of policies by the personnel at all jewels. Discovering policy-need areas, initiating policy formulation, drafting the proposed policy, launching the policy after getting consent of the higher ups, explaining the policy to all the personnel, monitoring and controlling implementation of the policy are all within the coverage of the activates of personnel management. However at no stage the ultimate responsibility of formulation implementing and controlling the policies lies with the Personnel management. The field of personnel policy comprises both a privilege and a pious duty of the top management which relies heavily on the personnel department for its success in this field. It is in this context that the personnel department should be positioned at a sufficiently high level in the organizational structure in order to facilitate through close interaction the consideration of suitable personnel policies and man-power development.

The responsibility of implementation of personnel policies and for that matter the responsibility for personnel administration rests with the line management for the gist of the case is that personnel manager is positioned as "Staff-management" in the organizational structure.

Labour Welfare Officer:

"Labour welfare means anything done for the comfort and improvement, intellectual and social, of the employees over and above the wages paid which is not a necessity of the Industry."

"Labour welfare may be understood and including such services facilities and amenities which may be established in vicinity of undertaking to perform their work in healthy and congenial environment and to avail of facilities which improve their health and bring high morale."

1. Labour welfare provides social comfort to employees.
2. It provides intellectual improvement of employees.
3. To develop sense of responsibility and belongingness among employees.
4. To ensures that the working conditions for employees are of higher standard.
5. To build stable work force.
6. To reduce absenteeism and labour turnover.
7. To make employees lives good and worth living.
8. To boost productivity and efficiency at the workplace.
9. To provide healthy and proper working conditions.
10. To ensure well being of employees and families.

The importance of labour officers in Indian industry was realized as early as 1931,when the Royal Commission on Labour recommended that their appointment in order to protect the workers from the evils of jobbery and indebtedness, to act as generally as a spokesman of labour and to promote amicable relations between workers and the management.

The officer is expected to act as an advisor, counselor, mediator, and Liaison (Link) officer between management & labour.

Labour welfare officer is appointed by an establishment wherein 500 or more workers are employed on any day in preceding 12 months.

The idea behind the appointment is to provide welfare facilities and minimize malpractices. He is appointed under The Factory Act, 1948 and his appointment is approved by Labour Commissioner.

2.8 SUMMARY

In this unit we have realized how personnel management aims at upholding the dignity of man in working organizations. It has also been brought out that the chief aim of personnel policy is to express the top management's basic philosophy of human resources. The objectives and principles of personnel policies have been explained. Formulation of personnel policies through a democratic process has been discussed. The coverage of personnel policies has been summarized in the form of a check-list. Interestingly enough the actual role of personnel managers in the field of personnel policies has been briefly but critically analyzed.

2.9 SELF ASSESSMENT TEST

Answer the following questions:-

(1) Explain how policies help in the attainment of organization goals.

(2) Explain the meaning and need of personnel policies.

(3) Discuss the main aims of formulation of personnel policies.

(4) What are the principles on which personnel policies should be based upon.

(5) Discuss the role of personnel management in the field of personnel policies.

2.10 KEY WORDS

Feedback: The part of system control in which the results of actions are communication to the controlling authority.

Motivation: The factors that cause channel and sustain an individual's behavior.

Strategy: The broad programme for defining and achieving the organization objectives.

Leadership Styles: The various patterns of behavior favored by the leaders during the process of directing and influencing the workers.

2.11 FURTHER READINGS

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UNIT- 3
Man Power Planning

Objectives :-

After going through this unit you should be able to :

- Understand the meaning of the manpower planning
- Realize how changing technology and increasing mobility of people have added to the importance of man power planning.
- Appreciate the objectives and pay-offs of man power planning.
- Display familiarity with the three stage process of man power planning.
- Explain the significance of human resource audit.
- Differentiate between Job analysis Job Description and job specification.

Structure :

3.1 INTRODUCTION

Geore Terzy maintains that an enterprise is made-up of humans organized together for mutual benefit and the enterprise is made or destroyed by the quality and behavior of its people. It is solely through the human resources that all other resources can be effectively utilized. It is the human resource which represent the organizational capability to produce goods and services. This valuable asset of organization appreciates with time if sufficient care is taken to impart skill and knowledge to the personnel.

If manpower is a major resource "Argues Armstrong". It is worth thinking ahead about the number of people needed how to recruit them and how to make best use of them. It is estimated that human resource accounts for 25 to 40 present of the selling costs. In labour intensive concerns it can exceed 50 percent of the total income. Human resources have therefore to be effectively and effectively managed so as to achieve both, the objectives of the enterprise and satisfaction and development of all the employees just as general strategic planning financial planning and market planning are essential ingredients of a successful organization so too is the formal human resource planning.

3.2 MEANING OF MANPOWER PLANNING

According to Gisele manpower Planning : "Is the process Including forecasting developing and controlling by which a firm ensure that it has the right number of people and the right kind of people at the right places at the right time doing the work for which they are economically most useful": Manpower Planning is not simply concerned with forecasting demand and supply of manpower. It includes the assessment of current human resources. Forecasting future needs and designing programs to recruit and develop personnel. In essence it is concerned with the optimum utilization of human resources both current and would be L.E. Albright has summarized the significance of manpower planning by observing that it is necessary to assure that the organization will have the right numbers and kinds of people available when and where they are needed to perform useful work.

Levels of Manpower Planning :

Manpower Planning has currently gained tremendous importance so much so that it can be both macro and micro type. At macro stage it is being done at national level by the planning commission and the Institute of applied Manpower Research. This sort of planning is also done at sector level by government (Central & State) and Different Sectors. (e.g. agricultural, industrial etc.), Specific industries which require highly skilled personnel too have undertaken man power planning. At micro level manpower planning meets the recruitments of individual enterprises.

3.3 IMPORTANCE OF MANPOWER PLANNING

Man power Planning is an essential component of overall planning in an organization. Organizational objectives and the various strategies to achieve those objectives are meaningful only when people with appropriate talent, skills and temperament are available to carry out those strategies. Man Power Planning helps to avoid sudden disruption of production flow since it indicates shortage of a particular type of personnel in advance. Man power plan and organization plan must therefore be integrated logically and fruitfully. With rapid technological changes and persistent demand for still higher levels of skills man power planning has achieved a higher priority. The growing concern for man power planning can be attributed mainly to the following factors :

(i) Changes in the way goods and services are prepared and made available to consumers affect the number and type of personnel required.

(ii) Automation has resulted into a smaller growth rate of occupations requiring lower skills and educational preparation and a faster growth rate of occupations requiring more preparation.

(iii) Rising job requirements : have necessitated continues training and development programmers for personnel.

(iv) Brain Drain : has become a matter of national concern for less developed countries. Already short of higher skills such countries cannot stand in competition with the developed countries in attracting and retaining highly talented staff.

(v) Increased mobility of human resources due to wider advertisements and a change in socio-economic outlook of personnel has on the one hand helped organizations in meeting new job requirements while on the order it has made it increasingly difficult to retain qualified and experienced personnel.

(vi) Increasing concern about man power planning at the national level as brought home the seriousness of the problem to individual enterprises as well.

3.4 NEED OF MAN-POWER PLANNING :

No Organization can therefore relax after the completion of the first phase of recruitment and selection of personnel. To keep its viability against the tough competition at the regional national and global level to successfully embark upon its expansion and diversification programs and to face squarely the changing pattern of personnel requirements in increasingly sensitive labour market there are people always percent in the enterprise to do the jobs needing to be done. Coleman has observed that manpower planning is the process of determining man-power requirements and the means of meeting those requirements in order to carry out the integrated plan of the organization.

Manpower planning is done with various objectives chief among them being:

(1) To anticipate overall shortages and surpluses of personnel at corporate level.

(2) To permit forecast of recruitment needs in terms of both the numbers and the types of skill sought as well as the time and places where they are required.

(3) To permit forecast of recruitment needs in terms of both the numbers and the types of skill sought as well as the time and places where they are required to

help in the analysis of both the internal and external sources of supply of the needed Personnel

(4) To provide for the identification of internal replacements for present day key managers and highly skilled personnel whose turnover usually cannot be predicted due to their highly competitive demand and increased mobility.

(5) To help in timely planning, development and implementation of comprehensive programmes for selection, training and orientation to meet the needs of manpower forecasts.

(6) To initiate major changes in organizational structure and personnel policy by visualizing its position in future in terms of category - wise size and quality of its employees

Advantages of Man Power Planning:

Man Power planning is a multipurpose exercise. If done properly it becomes the base for undertaking a variety of personnel activities as follows:

(1) Through inventorying present manpower resources and analyzing the nature of its work force to in relation to the changing needs manpower planning helps the organization to know the degree to which its personnel are employed optimally. Under staffing leads to shortfalls in performance while over staffing result in avoidable labour costs thus wage budget can be controlled effectively.

(2) Manpower plan like all other plans serves as a control technique for manpower by comparing the quantity and quality of existing personnel with the projected requirements:

(3) By estimating the cost of manpower it enables improving the accuracy of financial budgets.

(4) It maker it possible o make necessary shifts in the business plan terms of objectives or in methods of production particularly when supply of highly skilled personnel is uncertain.

(5) helps in designing a total plan for training and adopting new strategies for training at certain levels .Keeping in view .the hard fact that once employed it is difficult to terminate or even transfer an employee's services due to various constraints like government legislation unionism etc development programmes for surplus or sub standard personnel have to be chalked out to increase their productivity.

(6) It enables the organization o cope with 0re changes in the competitive forces, markets, technology, products, government policy, community demand etc.

(7) It helps manages to firm up on their long term supply and demand expectations.

3.5 PROCESS OF MAN POWER PLANNING

Man power planning is a derivative plan of the strategic plan of the organization. It cannot be divorced from plans the of production, sales, finance, engineering research, etc. it should be integrated both externally and internally. Externally it should be integrated with plans like increasing operations by establishing new plants or curtailing operations due to impending recession etc. since such plans have staff implications. Internally plans for recruitment, selection, placement, training, appraisal etc. should be integrated.

Man power planning is a series of activities consisting of the following:
(I) Forecasting future manpower requirements.
(2) Human Resources audit.
(3) Programming.

(I) Forecasting Future man Power Requirements:
Various methods of forecasting future man-power requirements are used viz.

(a) Executive Judgement

(b) Work study techniques based on man-hours needed per unit of output.
(c) Productivity measure in terms of sales or output per worker.
(d) Statistical and mathematical techniques like linear Programming extrapolation correlation etc
(e) Programmes run on computers.

Forecast for man-power requirements may be done for the entire enterprise singly or unit wise depending upon the strength and categories of personnel employed in the latter case, the personnel manager adds such requirements of all the units and prepare Human Resources Demand Schedule for the whole organization. Forecasts should be made in terms of functional categories based on requisitions from different units stating number of personnel required, their qualifications, experience, duties etc.
In projecting the sales activity based on the trend of sales volume for the purpose of Forecasting man power requirement, growth rate of the enterprise, its expansion and Diversification plans, changing pattern of consumer behaviour, market opportunities, Government policy about taxation, regulation of import – export trade etc. should be taken in to account.

In case business activity taken as one of -the variable b volume of output even then sales forecast will provide the basis for an estimated production schedule. Necessary adjustments should be done to accommodate expected changes in technology resulting into new or improved methods of production and distribution of products.

(2) Human Resources Audit:

Having done forecast for future personnel requirements the next step would be to match their requirement against the present working force .Through human resources auditing the established pattern of activity in the organization is discovered .Auditing always involves preparation of various statements. In human resources auditing also, the following main statements are prepared:

(a) **skill Inventory** skills inventory is prepared detailing information about each employee's age education training, jobs done, summary or appraisals, promotions received, departments worked etc. Some Organizations prefer to term such an inventory as personnel Inventory or qualifications inventory

(b) **Manning Table** Another important document known as Manning Table is prepared stating the number of employees in each position or category

(c) **Personnel Replacement Chart** personnel replacement chart show the present performance and promo ability of existing personnel for higher positions.

(d) **Position Replacement Card** as an alternative to personnel replacement chart some organizations prefer position Replacement card for each position to show possible replacement candidates and their qualifications.

It is necessary to classify existing employees on basis of categories adopted in forecasting the requirements (and not according to the expected pattern). Further this classification should also indicate the rank or levels of skills so that future requirements are not from the existing employees on merit basis.

Once the present position of the existing employees is known the personnel department then estimates what changes will occur in it over a particular period Certain adjustments have to be done at this stage on the basic of expected losses due to promotions retirement separations etc. This is termed as Maintenance placing or Replacement planning of human resources .Due weight age is also to be given to expected changes in human quality due to learning curve phenomenon which indicates to what extent have through experience and trainings, gained in operational efficiency in terms of economy of production Lime, and resources.

(3) Programming:

The final phase of man-power planning is programming the needed supplies i.e. to make available required personnel at the predicated time and place. The process of programming is application to both the exiting personnel as well as to the newly added recruits. In essence is a process of discovery identification preparation and timely delivery .It must discover the most likely sources and most effective training and development courses.

With the help of the critical analysis or the existing employees done through human resources auditing the extent to which anticipated personnel requirements. could be met internally is known. The net result should normally be either surplus or shortage of personnel. Suitable training and career development programmers have to be designed for internal supplies to match job requirements.

When there is a surplus of employees the work force should preferably be first reduced by attrition as people retire or leave they need not be replaced. Work sharing may also be initiated eliminating overtime and all employees working for fewer hours. New works may be undertaken or works given to sub-contractors be retrieved. Finally lay-offs and terminations based on seniority or merit criteria should be resorted which are indeed very difficult decisions. In case of shortage of internal supply extra requirements will have to be met through external requirements. Comprehensive programs for requirement, selection, training and placement have to be prepared.

While planning for external supply of the needed personnel following factors are to be considered:

(a) **Government policy about employment:** If the government has provided for reservation of quota for weaker sections of this society this has to be implemented.

(b) **Social Factors:** The community in which organization is working might be putting pressure for preferential treatment to local people in employment. In some enterprises there might be trade unions agitating for such treatment to be given to sons and relatives of the existing employees Due consideration has be given to these demands for the sake of industrial peace.

(c) **General Economic conditions**: The overall condition of employment also affects recruitment and selection programme the lower the rate of unemployment the lower is the supply of labour.

(d) **Local Labour Market conditions:** Employment conditions in the region in which the enterprise is located changes as a result or certain happenings e.g. closure of a factory or establishment of new plans.

3.6 Responsibility of Man Power Planning :

Manpower planning is a joint responsibility of unit managers and personnel department manpower planning unit in the personnel department:

(i) assists, counsels and puts pressure on the operative management to plan and establish
objectives

(ii) Collects and summarizes data on corporate level and assures consistency with long
term objectives and total business plan.

(iii) Monitors and measures performance against the manpower plan

(iv) Undertaking research for manpower planning and organization planning.

manpower plan is not a static plan. To reflect changes in various areas affecting the plan, data has o be continually reviewed and various adjustment have to be done.

3.7 JOB ANALYSIS :

Dale Yoder has observed "that for staffing purpose a job is defined as a contention or aggregation of tasks, duties, and responsibilities that as a whole, is regarded as the reasonable assignment to an individual employee". Each employee in a firm holds a position where many such positions are alike, they constitute a single job such as that of typists in the stenographic pool .According to Morris E.Hurley job, analysis is concerned with job which is impersonal, rather than with position, which is personal.

MEANING: Job analysis is the process by which jobs are studied to determine what tasks and responsibilities are included, their relationship to other jobs, the desirable under which work is performed, and the characteristics or qualifications that are desirable in the job holder. Job analysis provides data on job requirements, which are then used for developing Job Description (what the job entails) and job specification (what kind of people to hire for the job). Ivancevich is of the opinion that job description and job specification are terms used to describe information for non-managerial jobs. When discussing managerial jobs terms used are position description and position specification.

USES: The information- obtained from job analysis is mainly used in the following personnel management activities:

(l) Recruitment and Selection: Job analysis provides information on the basis of which it is decided what sort of people are o be recruited.

(2) Compensation: Wages and salaries are basically related to job required skills eructation safety hazards etc.

This information is made available by job analysis.

(3) Performance Appraisal: Through job analysis standards of performance to be achieved are laid down.

(4). Training: Jot analysis brings out what sort of skills are required on the basis of which training and development programmes are designed.

AREAS OF JOB INFORMATION

D. Yoder has indentified seven basic areas of information provided by job analysis:

(1) Job identification i.e. its title and code number

(2) Distinctive characteristics of the job like location setting supervision union jurisdiction hazards and discomforts etc.

(3) Specific operations and tasks to be done: including their timing, importance simplicity or complexity of tasks responsibility towards property and other etc.

(4) Materials and equipment used:

(5) Nature of operations: e.g. handling, feeding, and removing driving etc.

(6) Personnel attributes required Such as experience training, physical strength, mental capabilities aptitude, social skills etc.

(7) Job. Relationships: i.e. experience required opportunities for advancement patterns of Promotion, direction, usual source of employees etc.

Methods of collecting job Analysis Information:

Job analysis information can be collected by adopting the following methods either singly or in a combination of two or more:

(I) Questionnaires: Employees fill in structured questionnaires describing their job related duties and responsibilities.

(2) Interview: Three types of interview viz. Individual interviews, group interviews and
Supervisor interviews are arranged to collect the information.

(3) Observation: Direct observation is especially useful in jobs that consist mainly of observable physical activity. This method should not be applied to job entailing a lot of
Mental activity e.g. design engineer.

(4) Participant Diary logs: Employees keep daily participant diary/ logs in which they record every activity done.

STEPS IN JOB ANALYSIS

Gary Desseler has listed the following steps in job analysis: –

(i) Determine the objective of collecting job analysis information for deciding the type of data to be collected and technique to be adopted.

(ii) Collecting background information: Through organization by charts, process charts etc. Organization charts show how the job is related o other jobs, title of each position, who reports to whom and with whom o communicate. Process charts exhibit flow of work i.e. flows of inputs to and output from the job under study.

(iii) Select representative position: to be analysed since it would be too much time consuming to analyse since it would be too much time consuming to analyse all the jobs of almost a similar nature.

(iv) Collect Job analysis information: Regarding job activities required employee behaviours working conditions and human requirements like traits and abilities needed.

(v) Review: - the information with the participants.

(vi) Develop a job description and a job specification. Purposes of job analysis:

Job analysis: Is undertaking primarily for staffing purposes However, it is put to many other purposes, chief among them being

(1) to determine qualifications required of job holdings,

(2) to establish responsibility accountability and authority of job holders,

(3) to provide guide lines in the process of recruitment and selection,

(4) to design training and development programmes,

(5) to decide wages and salary levels,

(6) to provide base for setting production-n standards,

(7) to judge the merits of grievance relating to assignments and compensation,

(8) to provide clues for work simplification , methods improvement and job satisfaction,

(9) to appraise performance for the purpose of transfer or promotion,

(10) to control case and quality,

(11) to avoid duplication of task etc.

Pay offs of job Analysis to Employees

Job analysis information is equally beneficial for employees also. By reducing hazards discomforts and fatigue elements in the job not only the work simplified but margin of safety and job satisfaction is also increased. Sound standards of performance based on the result of job analysis tend to reduce unfairness towards employees particularly where no such standard had been established. It is for these and other pay-offs that many trade unions in developed countries have accepted joint responsibility for job study programmes.

JOB DESCRIPTION: Job description is a written statement of the information derived From job analysis process in a standard format describing what the job holder actually does and under what conditions. Armstrong has listed the following facts to be included in job descriptions.

(1) Job title of job holder

(2) Job title of person to who job holder reports.

(3) Job title of subordinates.

(4) A brief summary of the overall purpose of the job.

(5) A short description of each of the main activities or tasks carried out by the job holder

(6) Any further information required to convey the size or flavour of the job resources controlled, level of responsibility, extent of guidance or supervision received, conditions under which the job is done etc.

D. Yoder maintains that job Description does not catalogue all duties involved and as such an employee cannot refuse to refuse b perform any work not included in description. Job description is an online of the minimum requirements of the job.

JOB SPECIFICATION

R. W. Mandy has observed that job specification is the statement of the minimum acceptable human qualities necessary to perform the job. It is based on job description and shows what kind of person to recruit and for what qualities that person should be tested. Specifications usually relate to:

(1) Physical characteristics e.g. height, weight, vision etc.
(2) Psychological characteristics such as aptitude, ingenuity, mental alertness, analytical ability judgement etc.
(3) Personal Traits viz manner, emotional stability, leadership, initiative, adaptability, skill in dealing with Others etc.
(4) Responsibility i-e. sense of responsibility towards results, process, equipment etc.
(5) Education and Training
(6) Work Experience

3.8 SUMMARY

In this unit we have realized the importance of human resources because it not only utilized other resources effectively, but it is a major cost to and as such has to be effectively planned. We have learnt that man power planning is a series three main activities, viz. forecasting future man power requirements critically assessing existing personnel and arranging for the needed supply through recruitment selection and training. Although primarily don for planning the required number and kinds of people results of manpower planning are use full in other personnel activities, various techniques running from managerial judgment to computerized programming are adopted in planning for manpower. We have also understood the meaning purpose and process of job analysis job Description and job specification.

3.9 SELF ASSESSMENT TEST

Answer the following questions.

(1) Discuss the importance of human resources.

(2) what is meant by manpower planning and how it has, gained importance currently? Explain.

(3) Briefly explain the process of man power planning.

(4) What is the significance of human resource audit? Explain.

(5) What factors should be considered while planning for external supply of personnel?

(6) What type of information is provided by job analysis? Distinguish between Job Analysis, job Description and job specification

3.10 KEY TERMS

(1) **JOB ANALYSIS:** is the procedure through with you determined the duties and nature of the jobs and the kinds of people (in terms of skills and experience) who should be hired for them.

(2) **Job Description** is a written statement of what the job holder actually does how he or she does it, and under what conditions the job is performed.

(3) **Job Specification:** states the specific qualification required of job holders.

(4) **Manning Table:** Lists the jobs in the organization by name and code number and records the number of job holders for each job.

(5) **Skill Inventory:** Lists the names, certain characteristics and skills of people working for the organization.

3.11 FURTHER READING :

(1) Armstrong M : Personnel Management (Koran Page Ltd. London)

(2) Dwivendi R.s. : Man Power Management (Prientice Hall of India private Ltd. (New Delhi)

(3) Dessler G : Personnel Management (Prentice Hall International 1988Ed)

(4) Monappa A and Saiyaidan : Personnel Management (Tata Mc Graw Hill Ltd.) (New Delhi)

(5) Manmoria C.B. : Personnel Management (Himalaya Publishing House, Bombay 1988 Ed.)

(6) Yoder and Staudohar : Personnel Management and Industrial Relation (Prentice Hall of India Pvt. Ltd. New Delhi, 1986 Ed.)

UNIT - 4
Recruitment and Selection

Objectives:

After going through the Unit you will be able to understand the following

- Basic concept of Recruitment and Selection Policy
- Meaning and Need of Recruitment
- Meaning and Need of Selection
- Difference between Recruitment and Selection
- Meaning and Need of Induction in personnel management.

Structure:

4.1 Introduction
4.2 Recruitment and Selection Policy
4.3` Recruitment
4.4 Selection
4.5 Induction
4.6 Conclusion
4.7 further Readings

4.1 INTRODUCTION

This unit has been prepared to understand function of a personnel, manager, namely, the recruitment and selection of personnel to manage the organization. you must remember that this function has its roots in the manpower plan of the organization. In this plan, estimates are made about the organization's manpower requirement, both in, qualitative and numerical terms for the period for which the plan has been prepared.

Estimates about the quality of future manpower requirements are made on the basis of job analysis is the process by means of which information is gathered about the methods and procedures of doing a job, physical conditions in which the job is done and relation of the join to other jobs. Methods commonly used to gather this information are questionnaires interviews and observations. The results of a job analysis are set down in job descriptions. Making these job descriptions, as the base, job specifications are prepared which lay down the abilities and qualities that a worker should possess order to perform the job in question.

Estimates about the number of future manpower requirements are made in many ways. In small organizations they are based on executive judgement. In big organizations they are based on sophisticated mathematical techniques. All organizations, however, keep the following points in mind in estimating their future manpower needs.

(i) Existing manpower resources and sources of supply from within the company after taking into account promotions, turnover, retirements, etc
(ii) Future growth and development plans of the company.
(iii) Present and future productivity of workers.

4.2 RECRUITMENT AND SELECTION PLICY

All organizations recruit people but only some them have a consciously worked out recruitment and selection policy. In many organizations recruitment decisions are taken on an ad hoc basic depending on the circumstances. The results of ad hoc decisions are that more people are sometimes recruited than are necessary in the long run, inappropriate recruitment methods are followed and greater emphasis is given to insignificant characteristics or criteria at the cost of more significant ones.

The Principal points on which a sound recruitment policy must throw light are:
(a) Identification of manpower needs. This we have already discussed under manpower planning.

(b) Preferred sources of recruitment.
(c) Preferred selection procedure.
(d) Role, if any, to be assigned to the union in the recruitment and selection of personnel, e.g. in some of the western countries some organizations have "closed shop" clauses in the collective agreements with the unions concerned. Under a closed shop agreement, the employers agree to hire only the members of the union and recruitment of non- members is prohibited.
(e) Guidelines for limiting the costs of recruitment and selection, e.g., travelling expenses of candidates for interview, cost of notification and advertisement, cost of tests, training of new recruits, etc.

4.3 RECRUITMENT

a) Indent for Recruitment

As Soon as the Manpower plan of an organization is ready its various departments can submit indents for recruitment to the personnel department. An indent usually specifies the jobs or positions for which persons are required, the qualifications required. The number to be recruited, the time by which the persons should be available, their duration (permanent or temporary), the salary and grade to be offered and any other terms and conditions of employment which the indenting officer feels necessary. This form is prepared in duplicate. One copy is sent to the personnel department, and the other is retained by the requisitioning department for reference. On receiving the indent the personnel department begins the process of recruitment and selection.

b) Difference between recruitment and selection :

There is a difference between recruitment and selection. Recruitment is the process of searching prospective workers and motivating them to apply for jobs in the organization. A planned recruitment programme aims at providing the organization with a sufficient number of job applications from whom a required number of selections can be made. Recruitment is thus a 'positive' function which aims at increasing the number of applicants per job opening. In contrast, the selection process is a negative function which aims at eliminating applicants, leaving only the best to be placed in the organization.

c) Sources of Recruitment:

The sources of recruitment can be broadly classified into two: internal and external.

Internal sources refer to the present working force of a company. In the event of vacancy, someone already on the payroll is promoted. Thus, at the Tata Engineering and Locomotive Company and at Hindustan Lever, outside recruitment is resorted to only when requirements cannot be met from internal promotions. Filling a vacancy from internal sources by promoting people has the advantages of increasing the general level of morale of existing employees and of providing to the company a more reliable information about the candidate's suitability who has already worked with the Company on a lower post. The major weakness of this sources is that the inbreeding Which it results into deprives the organization of a fresh outlook, originality and initiative which the outsider usually brings in and which are very important in today's competitive economy.

Among the more commonly used external sources are the following:

(1) Advertisement in newspapers: Senior post are largely filled by this method. This method is however, followed by companies in 3 different ways:

First, there are some companies which do not do their own advertising. On the other hand they send their requisitions to certain specialized agencies which advertise position in leading newspaper without dividing the name of their client company. The applications received from the candidates by these agencies are duplicated and mailed to the clients.

Second, there are some companies which although do their own advertising but give only box numbers. Box number advertisements generally do not draw good candidates who feel that it is not worthwhile to apply without knowing employer's name.

Third, there are some companies who divulge their names in their advertisements.

(2) **Employment Exchanges:** An employment exchange is an office set up by the Government for bringing together as quickly as possible those men who are in search of employment and those employers who are looking for men. Employment exchanges register unemployed people and maintain the records of their names, qualifications, etc. The employers on their part intimate the exchanges about the vacancies which occur in their factories and types of employees they require tor filling up these vacancies. Whenever any vacancy is intimated, the Exchange selects some persons from among the employment seekers already registered with it and forward their names to the employers for consideration. It should, however, be remembered that under the Employment Exchanges (compulsory Notification of vacancies) Act, 1959 which applies to all establishment including factories employing 25 or more persons, the employer is bound only to intimate all vacancies to the exchanges. He is under no statutory obligation to recruit any person through the employment Exchanges. Further, the Act does not apply to temporary vacancies of less than 3 months' duration and to vacancies involving unskilled office work or to vacancies proposed to be filled by promotion or absorption of surplus staff.

(3) **Field trips:** An interviewing team makes trips to towns and cities which are known to conation the kinds of employees required. Arrival dates and the time and venue of interview are advertised in advance.

(4) **Educational Institutions:** Sometimes recruiters are sent to educational institutions where they meet the members of faculty and persons in charge of placement services who recommend suitable candidate and invite the selected ones to visit the company for final selections. Scouting for managerial talent is done by D.C.M., Bajaj and other among university and college students. Some companies send representatives to Professional gatherings to recruit employees.

(5) **Labour Contractors:** In mines of west Bengal, Bihar, Madhya Pradesh, Orissa and Andhra Pradesh recruitment through contractors is still very common.

(6) **Relations of existing employees:** Some companies have agreements with recognized unions to give considerations to relatives of existing or retired employees if their qualification and experience are suitable for the vacancies.

(7) **Casual callers:** sometimes on their own initiative applicants drop in or send applications for jobs.

(8) **Public Service Commission:** One important agency in respect of first and second class employees of public sector undertakings is the public service commission which makes direct recruitment various positions in these categories.

(9) **Badly or temporary workers:** Many Organization keep badly lists or a central pool of personnel from which vacancies can be filled. In this connection it is significant to remember that under Sec, 25-C of the Industrial Disputes Act. 1947 any person employed for 240 days in a year is deemed to be in continuous employment for one full year which entitles him to claim compensation on being retrenched by the employer.

(d) Evaluation of alternative sources of recruitment:

A Company cannot fill at its vacancies from on single source. It must carefully combine some of the above sources, sources. It must carefully combine some of the above sources, weighing their cost and flexibility the time they take the quality of men they supply and their effect on the present work force.

Following are the data which can be used for this purpose:-

(i) Time lag between requisition and placement: The basic statistics needed to estimate the time lag are the time lapse data. To take an example a company's past experience may show that the average number of days from application to interview is 15, from interview to offer is 5, from offer to acceptance is 7 and from acceptance to report for work is 21. Therefore, if the company begins its recruitment and selection process today. The beset estimate is that it will be 48 days before the new employees is added to the pay role. With this information, the

'Length' of the pipeline for alternative sources of recruitment can be described and suitable recruiting sources chosen.

(ii) Yield ratios: These ratios indicate the number of leads/contacts needed to generate a given number of hires in a given time. To take an example, suppose a company is contemplating expansion and needs 10 additional engineers in the next 6 months. On the basic of its past experience predicts as under: We must extend offers to 2 candidates to gain one acceptance. It we need 10 engineers we will have to extend 20 offers. Further, if the interview-to-offer ration has been 3:2 then 30 interviews must be conducted and since the interview to interview ration is 4:3 then as many as 40 candidates must be invited. Finally, if contacts or leads required to find suitable candidates to invite are in 6:1 proportions then 240 contacts must be made. These ratios are show in the below figure in the form of a pyramid.

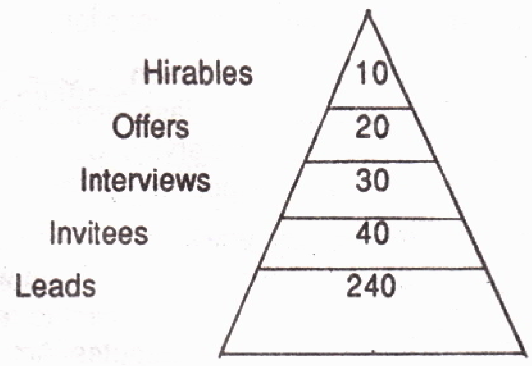


Fig. 1. Recruiting Yield Pyramid

(iii) Employee attitude studies: These studies try to discover the reactions of present employees to both external and internal sources of recruitment.

(iv) Correlation Studies: These studies tell us about the extent of correction which exists between different sources of recruitment and factors of success on the job.

(v) Data on turnover, Grievances and disciplinary action tabulated according to different sources of recruitment: These figures throw light on the relative merits of each source.

(vi) Gross cost per hire: This is arrived at by dividing the total cost of recruitment by the number of individuals hired.

4.4 SELECTION

Recruitment is followed by selection. Selection is done after comparing the requirements of a job (job specification) with the applicant's qualification. An attempt is made to find a round peg for a round hole. Important techniques used for this purpose are as under:

a) Application Form
b) Interview
c) Tests and
d) Reference and other checks

A Brief description of each of these techniques now follows.

(a) **Application Form :**

An application from generally seeks information about the applicant's sex, age, height and weight, his educational qualification, experience and his participation in extra-curricular activities. These can be 3 types of application forms:-

(i) Structured application form. This is the usual stereotyped application form which structures information and tries to cram as much standard information into as little space as possible.

(ii) Unstructured application form. In this form questions are so phrased that the applicant can respond to them by writing as he pleases. "Critical Incidents" .which the applicant considers illustrative of his performance at various times and under various circumstances are generally requested which reveal a great deal about the applicant's perception of himself, and of his responsibilities.

(iii) Weighted application form. Of the many items that may be included in an application form, some are frequently of more significance than others, in that they yield information that seems to distinguish good from poor employees in a particular job, and to correlate with established criteria of satisfactory performance. These items form the core of the weighted application form.

(b) **Interview:** An interview is a face-to-face, observational and personal appraisal method of evaluating the applicant where the interviewer who is higher in status is in a dominant role. If there were no difference of status and roles it would be a meeting.

Kinds of Interviews: Interviews may be classified under 7 main categories, depending on their methods:

(1) The direct planned interview. This interview is a straightforward, face-to-face, question and answer situation. Intended to measure the candidate's knowledge and background. Although it also provides an opportunity for observing the candidate’s personal characteristics and noting his attitudes and motivations but the penetration is usually superficial. The interviewer, however, does some advance for example, he works out in his mind, if not on paper, what ha hope to accomplish, what kind of information he want to seek or give, how he will conduct the interview and how much, time he will allot to a candidate.

(2) The indirect non-directive interview. In this type of interview the interviewer refrains from asking direct and specific questions but creates an atmosphere in which the interviewee feels free to talk and go into any subject be considers important. In such an atmosphere the information

obtained by the interviewer is more likely to be an accurate representation of what the individual believes than if the employee if asked specified questions. The object of the interview is to determine what the individual himself object of the interview is to determine what the individual himself considers of immediate concern, what he thinks about these problems, and how to he conceives of his job and his organization. The interviewer, there for, plays mainly a listening role. He has to avoid expressing value judgments, interrupting the applicant, and revealing this own attitudes and opinions. This type of interviews is often used in situation other than thriving, such as counseling, processing of grievances and exit interviews.

The difficulties of this type of interview keep many companies from using it. It requires a highly trained interviewer. It also requires more time than other methods. The advantage of this method is that the applicant tends to be more at ease, because he does not need to be so concerned about the right answers. There is usually no "right answer" to the non-directive questions.

(1) The patterned interview. In this interview a series of questions which can illuminate the strategic parts of the applicant's background are standardised in advance and validated against the records of employees who have succeeded or failed on the job. Answers to these questions are compared with a critical score and used in determining who is to be selected. In the interview process, these standard questions are asked as they are written; the order may be varied but not the phrasing of the questions.

(2) The stress interview. In this interview the interview deliberately creates stress to see how an applicant operates under it. To induce the stress the interviewer responds to the applicants answer with anger, silence, criticism or a flurry of incisive follow up questions. Events such as noise interruptions or change of schedules are introduced to see how determined and inventive an applicant can be. For sales candidates, the interviewer. May play the part of customer and have the applicant try to sell him some well-known product like soap, a

blade or a fan. The interviewer can add realism by action uncooperatively and by raising objections.

(3) The systematic depth interview, in this interview the interviewer has a plan of area he wishes to cover. Ordinarily, the interviewer exhausts one area before launching into the next so than he can be more certain of complete coverage. In this type of interview, an answer to any one question does not tell much about the applicant and can in fact be misleading. Each answer must be interpreted in the context of many other interrelated circumstances. So the interviewer must weigh the meaning of various answers.

(4) Panel board interview. In the board interview more than one person interviews an applicant at the same time. Areas of questioning are allocated to each interviewer before the interview starts. One another questioning. Interviewers may start competing with one another and thus create conditions of stress for the candidate.

(5) Group interview. In this interview 5 or 6 applicants are placed together in a situation in which they must interact. The situation may be structured, it is usual for the selector to remain silent throughout the discussion and make notes of the applicant's interactions unobtrusively. The applicant who verbalises better and who has a better personality is likely to be selected under such circumstances. Sometimes the applicants and the selectors may live together for a few days thus providing a chance to the selectors to know about the personal diagnosis's of applicants better. This is known as the "house party" technique.

Procedure for an Interview: The following steps are generally involved in an interview procedure:

(1) Reviewing background information. Pertinent information about the candidate should be collected and noted down beforehand. This preparation saves

times and mental efforts during the interview and enables the interviewer to sketch in advance at least a general picture of the candidates.

(2) Preparing a question plan. Every interview should have a question plan. It is useful for inexperienced interviewers to have this written down in form of them so that question can ticked off as they are dealth with. The British National Institute of Industrial Psychology provides a 7 point plan for this purpose covering physical make-up, attainments, general intelligence, specialised aptitudes, interests, dispositions, and circumstances.

(3) Creating a helpful setting. Most interviews have overtones of emotional stress for the applicant. Success in interviewing depends on reducing this stress. This can be achieved if the following conditions are present in the place of interview; privacy and comfort, atmosphere of leisure, freedom from interruption, authentic feeling for an interest in the candidate.

(4) Conducting the interview. Interviewing is much like fishing, where it is often necessary to change depth, lure and location in order to get a bite. It is therefore, necessary to use a number of different approaches during the course of an interview.

(5) Concluding the interview. In the final few moments the interviewer guides the interview to a close. After the candidate leaves, the interviewer looks over his notes recalls his impressions collates his observations and makes a provisional appraisal before seeing the next candidate. He fills up the Interviewer's Rating Sheet meant for this purpose. A well-drafted Rating Sheet forces the interviewer to think carefully on various factors relevant to the job.

(6) Evaluating. The final step of interviewing is whether or not it achieves established goals satisfactorily. Interviews should elicit data that validly predict job success for applicants if they are hired, and the results of interviewing should be consistent.

Though interviewing has one big advantage over other method it brings out the behavioural characteristics of the applicants must effectively its pitfalls must be carefully avoided. These are the interviewer's bias and his pseudo-scientific premises. Because of his bias a misfit may be hired and a qualified candidate may be rejected. The interviewer may match "men and prejudices" instead of "men and job". Closely allied to bias are most of the premises of such pseudo-sciences as graphology, physiognomy, palmistry, phrenology and astrology. The interviewing thus doing gravest injustice to the candidate. For example, a candidate with a receding forehead maybe rejected because the physiognomy categorises such individual as a criminal.

(C) Tests:

Another important device used in selection is psychological test. A psychological test is designed to measure such skills and abilities in a worker as are found by job analysis to be essential for successful job performance. Three important psychological tests are:

- Knowledge test,
- Ability test and –
- Aptitude test

Tests measuring knowledge or information are the most appropriate for jobs that enquire knowledge of certain things. For example, test for measuring knowledge of taxation laws, audit regulations accounting systems; etc could be constructed to gauge the knowledge of candidates for the positions of Finance and Accounts officer. Such knowledge test become necessary when academic qualifications are not good indicators of the capability and knowledge of a candidate.

Ability or proficiency tests are those which measure the skills and abilities already present in the tests at the time of testing. These tests check an applicant's claim that he possesses those abilities which are believed to be critical in the performance of his job. Ability tests are appropriate for lower level jobs where abilities are quantifiable. For example a test of typing speed and stenography for stenographers, mechanical ability tests for mechanics tests in research methods for researchers, etc. These tests are not suitable for assessing higher managerial abilities like planning, coordinating, organising etc. These abilities can be accessed through simulation and other exercise.

Aptitude tests are those which measure skills and abilities that have potentiality for later development in the tests. These tests measure whether or not an individual has the capacity or latent ability to learn a given job quickly and efficiently.

There are certain tests that, when they are used in certain ways, way most properly be considered proficiency tests, but that when they are used in other ways, are more properly classified as aptitude tests. For example a standard typing test would definitely be a proficiency test if it were used to select applicants for a typing job. This same test however, might quite properly be considered an aptitude test if it were used as one element of a test battery designed to select teletype trainees, for in this latter case the typing skill the test measure-s is basic to the successful accomplishment of trainee. It should be kept in mind that the basic distinction between aptitude tests and proficiency tests must be made in terms of the purpose the test is intended to serve-not on terms of the content of the test itself.

Two other important respects in which proficiency tests and aptitude tests differ from each other as under:

(i) In the case of proficiency tests by closely reproducing the elements of the task in the test situation the proficiency of attester can be easily and accurately measured. But in the case of aptitude tests an accurate measurement of aptitudes is somewhat difficult. The reason is that for evaluating the potential abilities of an individual such of his present abilities and characteristics are measured as are known to be significantly related to future achievement.

(ii) An individual's proficiency, being largely the result of his training and experience varies from time to time. But this is not so with his aptitude or potentially for learning. Being largely the result of an individual heredity and growth, aptitude remains essentially the same regardless of the practice or use of the ability eventually learned. This does not mean that aptitude test scores of an individual will never change, but where they Dom this represents a weakness in the test rather than a change in the person's aptitude.

Merits and Limitations of Psychological Tests:
Psychological tests as a selection technique have the following advantages over other methods of selection:-

i) They are less time-consuming and costly than interviews ;
ii) They are more objective and have a lesser probability of bias;
iii) They uncover talents and potentials which are not necessarily detected by other selection techniques.

Common weaknesses of these tests are as follows:-

i) These tests to not have a natural zero point and equal intervals. They have arbitrary origin. Thus in an intelligence test if a person scores zero because he does not answer any question correctly this does not necessarily mean that he totally lacks intelligence. Similarly a person who answers the first two questions correctly cannot be called twice intelligent as someone who answers only the first question correctly. If the test has begun with seven easier questions their scores might have been nine and eight respectively. If the starting point had been more difficult, both might have received scores of zero. Hence small differences in test scores between candidates are relatively meaningless.

ii) Personality and interest tests suffer from one additional weakness; it is difficult in their case to obtain truthful answer from the applicant. An applicant's desire for a certain job may impel him to take certain interests or personality traits which he does not possess and which he feels may help him to get the job. Even in the matter of proficiency tests they indicate only what a man should be able to decide they cannot measure what he will do.

d) Reference and other checks:

Obtaining references from candidates and conducting their medical examination are widespread practice in most organization. In as much as most referees are reluctant to give adverse reports about a candidate, references are not likely to result in accurate appraisals unless carefully controlled.

Selection Procedure:

There is no standard selection procedure followed by all organizations. The procedure varies with the size of the organization, the type of job to be filled and the philosophy of personnel management. However, one common feature of most selection procedures is that they do not depend on just one selection technique but take into account the combined effect of a number of selections techniques such as test interviews, information on application forms and so on. This may be done in any one of the following ways:

1. **Profile Matching:** In this method to know successful employees are made to pass through various selection techniques. Their average scores in each technique are found out and these are then used as a standard to judge the scores of other applicants.

1 Multi cut-off: In the profile matching method it is not necessary that an applicant should have scores at or above the ideal average of successful employees. A proximity to ideal profile in all right. In other words, an applicant can have less or more than the ideal average. In the- multiple cut-off method, a cut-off point is established separately for each technique. Unless an applicant scores above the cut-off point on all techniques, he will not be considered for selection. The cut-off point is u

2 Multiple regressions: In the Multiple cut-off method a minimum score is required in all the techniques. This method does not provide a single score for each applicant though this would make it simple. A simple addition of scores tor each one who is above all the minimum cut-off scores does not help in ranking them in the order of merit. Two applicants might have the same total scores but may differ in their scores in each technique. This makes the process of selection more cumbersome.

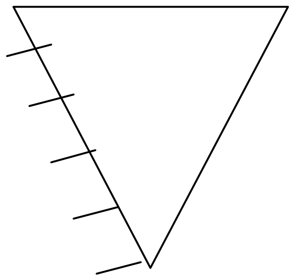
The multiple regression method takes into account some of these problems. It utilizes the statistical method of multiple regressions, where the relative contribution of each input factor to output is determined. For example, a personnel manager is faced with the problem of determining which of the several techniques contributes most in predicting successful performance on the job. He fits a regression equation with the help of information of job performance and the performance in several selection techniques. This gives him the relative contribution of each of the various techniques, to job performance. Further, a single score for each applicant is obtained.

4. **Multiple hurdle, in** this method, the various selection techniques are arranged in a sequence as so many hurdles and an applicant must clear all these hurdles to reach the final stage where he is considered for selection, an applicant must secure above the given minimum score at each stage before he is considered for the next stage. Every stage is thus a device for weeding out applicants. At every stage the Selector has to pause and think in terms of sequential decisions. At each stage he has to review the situation and decide whether to continue with the process and to continue consideration of the applicant or to reject him. In this way, he goes on eliminating a certain number of applicants at each stage until the required number of candidates is selected.

This can be shown by an inverted triangle as under:

Selection stage

1. Application
2. Interview by personnel department
3. Tests
4. Interview by line supervisor
5. Reference and other checks



The above method has the advantage of progressively decreasing the cost of selection as the number of applicants continuously goes down from one stage to the other. The disadvantage of this method is that an applicant is rejected simply because he does not perform above the minimum cut-off point at a given stage, although it is possible he might have done really well in the next stage.

4.5 INDUCTION

This Final step in gather selection process is that of inducting the new employee into the new social setting of his wok. The step should take into account two major objects:

(i) familiarizing the new employee with his new surroundings and company rules and Regulations, and

(ii) integrating his personal goal with the organizational goals. The first object is generally easy to achieve. The information which is commonly' passed on to the new employee covers the following subjects :

1. Company history, products and major operations.
2. Geography of the plant.
3. Structure of the organization and functions of various departments.
4. General company policies and regulations regarding wages and payment, hours of work and overtime, safety and accidents, discipline and grievances, suggestions system, uniforms and clothing and parking.
5. Economic and recreational services available.
6. Opportunities for promotion and transfer, importance of the job and its relation to the total work of the firm.

It is believed that the above information is conductive to the development of favorable attitudes on the part of employees, and also helps new employees to become more effective in their jobs.

4.6 Conclusion

In this unit we have learnt about the manpower plan of an organization which marks the beginning of its recruitment and selection efforts. We have also seen how important it is for an organization to have a sound recruitment and selection policy. The unit also throws light on the various methods of recruitment and selection procedure. Towards the end we have learnt that induction is the final step of the selection process.

4.7 FURTHER READING :

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UNIT - 5
Training

Objectives :-

After Studying this unit you should be able to:

- Understand the meaning of training :
- Appreciate the objectives of training
- Learn how to identify training needs :
- Know the usefulness of having a training policy and
- Get an idea about the various training methods.

Structure :

5.1 Introduction
5.2 Meaning
5.3 Training Policy
5.4 Needs and Objectives
5.5 Identification of training needs
5.6 Training Methods
5.7 Evaluation of Training
5.8 Summary
5.9 Self-assessment Test
5.10 Key words
5.11 Further readings

5.1 INTRODUCTION

After the employee has been selected, placed and inducted next he must be trained as well. Training is the act of increasing the knowledge and skill of an employee for doing a particular job. No firm has a choice of whether to train or not, the only choice is that of method. Normally, the personnel department of an organization is entrusted with the task of training workers. But the existence of this department does not relieve the line managers of training responsibilities. Personnel department cannot do the whole job of even the main job. Training is the function of every line executive, Manager and supervisor. The Personnel department cans no doubt:

≈ Self the idea of training as a vital force in the organization and develop an atmosphere conductive to sound manpower development.

≈ Devise, recommend and executive strong polices for training and development.

≈ Administer desired programmers.

≈ Manage the training facilities and

≈ Carryout continuous study, analysis and evaluation of the organizations training needs and current development programme.

But the decision to train and the authority behind the training must come from the line. The reason is that in the process of directing the efforts of subordinates and administering rewards punishments to them, the line superior is consciously or unconsciously. Therefore he must always be careful to see that the casual, day-to-day experiences do not nullify the practices stressed in the formal training sessions.

5.2 MEANING

The word 'training' should be distinguished from education. As defined earlier, training is concerned with increasing knowledge and skill in doing a particular job. On the other hand, education is concerned with increasing general knowledge and understanding of our total environment. Thus, when we teach a person how to assemble two objects and tighten a nut, we are training him to do a particular job but when we are giving him a course in engineering, it is education. The degree and quality of skill which result from training are limited and specific but they are comprehensive and general from education.

5.3 TRAINING POLICY

It is always essential for an organization, whether big or small to have a comprehensive training policy which should incorporate details on the following points:

a) The place training is to occupy in management activities of the company :
b) The objectives which are to be covered in company training :
c) The training methods which will best meet these needs.
d) The evaluation of training programme.

Place of Training in Company Management:

Some organizations regard training as unnecessary. They think that cost of training is high and not worth. It in these organizations training is accorded a low status and is treated as a peripheral activity. The budget for training is also kept very low. Trainees are selected casually and at random without any objective standards. Training opportunities are doled out to employees as a reward for their good behavior of for long service or to get relief for some time from a trouble-making employee. This policy lowers employee morale and fails to produce any good results. Another variant to this policy are those organization where training is treated as show piece to look modern. In these organizations training is more decorative than functional.

Some organizations treat training as a device to overcome certain specific problems. Here training as a device to desirable when clear cut need is identified. Typically the training in this case is a course with a defined limited objective; once again, the effort is discontinued.

Finally there are some organizations which regard training as a continuous activity. These organization believe that training is a permanent relationship which exists between the superiors and the subordinates so that every superior in the organization (and not only the personnel manager) is responsible for training which always goes on day in and out as some learning inevitably takes place when workers watch their superiors doing a job or behaving in a particular manner.

Clearly, it will be difficult to build and kind of a training programme until some one of these viewpoints is adopted. The choice will affect the nature and extend of training and also the budget allocation for training in the company organization. Most growing concerns take at least the second view-training to meet specific limited needs – and many companies are shifting to the third view – that training being an integral part of management is a continuous process.

Objectives of training methods of training and their evaluation are 3 other important issues which should be comprehensively death within a company's training policy. These we have described in separate sections below.

5.4 NEED AND OBJECTIVE

The need for training in part depends upon the company's selection and promotion policies. Companies that attempt to employ only people who already have the needed skills, place less emphasis on training. On the other hand, firms that stress promotion from within may have to take special steps to ensure that employees develop the skills which will be needed.

Two trends have contributed. In recent years, to more attention to the development of skills are given. Fewer and fewer skills are now regarded 'inborn' that cannot be taught. It is hoped that one can learn almost all aspects of a job by reading. That is why we find now-a-day almost all technical details of a job written out in the instruction manuals. Second the accelerated rate of technological many skills obsolete. Workers have to be retrained to do new tasks.

Surveys indicate that nearly all large organization employ some formalized training. The major objectives of training are as follows:

1) To instruct the employee in the company culture pattern.

2) To train the employee to increase his quantity and quality of output. This may involve improvement in work methods or skills.

3) To train the employee for promotion to higher jobs.

4) To train the bright but dronish employee in the formation of his goals. This will involve instructions in initiative and drive.

5) To instruct the employee toward better job adjustment and high morale.

6) To reduce supervision and accidents. Development of effective work habits and methods of work should contribute toward a reduction in the accident rate and less supervision.

5.5 IDENTIFICATION OF TRAINING NEEDS

In Order to identify the braining needs of an organization the personnel manager should seek information on the following points:-

a) Whether training is needed?
b) Where training is needed?
c) Which training is needed?

Whether training is needed?

Early hints that training is necessary probably problems such as:

≈ Standards of work performance not being met ;

≈ Accidents ;

≈ Excessive scrap ;

≈ Frequent need for equipment repair;

≈ High rate of transfer and turnover ;

≈ Too many low ratings on employee evaluation reports;

≈ Many people using different methods to do the same job;

≈ Excessive fatigue, fumbling, struggling with the job;

≈ Bottlenecks and deadlines not being met.

Various sources from which evidence of training needs be gathered are as follows:-

1. Informal observation
2. Merit Ratings
3. Suggestion Systems
4. Group Discussions
5. Questionnaire to trainees or to supervisors
6. Morale surveys
7. Tests
8. Interviews with union officials
9. Selection or exit interviews
10. Analysis of reports relating to costs, turnover, grievances, etc.
11. Employee counseling.

In many organizations the determination of training needs is predominantly done through observations. One common method for recording observations is the checklist of training needs. It provides for indicating by a “yes” or “no” check whether or not each checklist statement has been observed by the employee whose training needs are being determined. The following is a sample checklist for determine supervisors training needs.

Sample Checklist for Supervisors

Items recorded by training specialist	Checked for adequate performance Yes	Possible Training Need No
Keep inventory of tools	x	

Prepares training outline For apprentices		x	x
Takes unsafe machinery Out of service	x		
Checks all repairs	x		
Maintains “hours of work” Record	x		
Inspects regularly for quality Of product		x	x
Informs on elimination of waste			x
Plans workplace layout		x	x
Instructs on cost of materials		x	x
Explains company policy to Workers		x	x

(b) Where training is needed?

After determining the need for training the manager should determine where the organization training emphasis can and should be placed. This involves a detailed analysis of the following factors:

i) Structure of the organization;
ii) Objectives;
iii) Human resources and future plans;
iv) Cultural milieu.

(c) Which training is needed?

The last question to be answered by the personal manager is about the types of training needed. This involves determine what knowledge, skills or attitudes each individual employee should develop to be able to perform his task in an effective way.

The three major skills which the employees of any organization need to successfully discharge their duties are: the conceptual skill, the human relations skill and the technical skill. Conceptual skill deals with ideas, technical skill, with things and human skill with people.

The conceptual skill refers to the ability of an employee to take a broad and foresighted view of the organization and its future, his ability to do abstract thinking, his ability to analyse the forces working in a situation, his creative and innovative ability and his ability to assess the environment and changes taking place in it. The technical skill is the employee's understanding of the nature of job he has to perform. It refers to his knowledge and proficiency in any type of process of technique. Human relations skill is the ability to interact affectively with people, and to build team work at all levels.

The relative need of an employee for conceptual skill increases and for technical skill increases and for technical skill decreases as he moves to higher levels in the organizational hierarchy. His need for human skills however, remains consistently the same at all levels.

To know how much each type of skill needs to be developed the manager should do a detailed analysis of the following factors:-

i) Components of a job;

ii) Skill and training required to perform a job at the required standard; and

iii) Attitudinal predispositions - for instance, the attitude toward safety, authority, etc.

5.6 TRAINING METHODS

No simple formula defines the form of training to be used for a given purpose. The skill needs of the employees, the size and traditions of the company, the abilities of trainers, the time and money available for training and the experience of the company about the training activates that have been carried on in the past, all will affect the type of training that will be most successful in a given situation. Nevertheless it will be helpful to indicate briefly the principal alternatives from which the manager may choose-

(1) Training-on-the-job.

The most important type of training is training-on-the-job. The experience of actually doing something makes a lasting impression and has a reality that other types of training cannot provide. The worker in this method learns to master the operations involved on the actual job situation under the supervision of his immediate boss. Some important advantages of this type of training are as follows.

i) It can be learned in a relatively short period of time, say, a week or two.
ii) No elaborate programme is necessary as far as subject content is concerned.
iii) There is no line-staff conflict because the worker's own supervisor is the instructor.
iv) It is highly economical.
v) It is not located in an artificial situation, either physically or psychologically and, therefore, eliminates the possible problem of transfer of learning.

For training-on-the-job to be effective the personnel manager must take time to see that learning really occurs. In other words, it is necessary to make sure that the supervisor who is imparting training is trained and motivated to be a good trainer. If he views this training as burdensome and nuisance it will produce no good effect.

A training procedure of carrying out on-the-job-training was developed by the War Manpower Commission in the United States during the Second World War when a large number of people had to be trained in a' short period. The procedure is known as Training within Industry (TWI) or the 'Capsule method'. It has become very popular with the companies. The steps involved in this procedure are as follows:

Step 1. Prepare the worker

≈ Put him at ease

≈ State the job and find out what he already known about it.

≈ Get him interested in learning the job.

≈ Place in correct position.

Step 2. Present the Operation

≈ Tell, Show, and illustrate one Important Step at a time.

≈ Stress each key point.

≈ Instruct clearly, completely, and patiently, but no more than he can master.

Step 3. Try out Performances

≈ Have him do the job-correct errors.

≈ Have him explain each Key Point to you as he does the job again.

≈ Continue until you know he Knows.

Step 4. Follow-up

≈ Put him on his own. Designate to who he goes for help.

≈ Check frequently. Encourage questions.

≈ Taper off extra coaching and close follow-up

If the worker has not learned, the instructor has not taught.

There are several types of training programmes which make use of on-the-job-training concept. Some of them are described below:

Job rotation. This method involves the employee being sent through different jobs, thereby providing him a wider exposure.

Internship training. This refers to a joint programme of training in which schools and business co-operate to enable the students to gain a good balance between theory and practice. Classroom principles are better understood against the practical background in a factory.

Apprenticeship. This training is used in those trades, crafts and technical fields in which proficiency can be acquired after a relatively long period of time in direct association with the work and under the direct supervision of experts. In India, Section 4 of the Apprenticeship Act, 1961 ; provided that no person can be engaged as an apprentice to undergo apprenticeship training in a Designated trade unless such person or, if he is a minor, his guardian has entered into a contract of apprenticeship with the employer, and the contract of apprenticeship has been registered with the apprenticeship adviser.

Vestibule School. When the amount of on-the-job training that has to be done exceeds the capacity of the line. supervisor, a portion of this training is taken away from the line and assigned to staff through a vestibule school The responsibility to operate a vestibule school generally rests with the personnel department.

This training gets its name from the resemblance of the school to a vestibule through which one passes before entering the main room of a house. Vestibule training has the advantage of training large number of persons without pampering on-going operations. It also saves costly machines from being damaged by due to mishandling by untrained workers. Moreover, the trainee avoids the confusion and pressure of the work situation and thus is able to concentrate on learning. The only disadvantages of this type of training are that it. Is somewhat artificial and there is generally a line-staff conflict.

(2) Simulators and training aids. Simulators are used to provide trainees with physician equipment that resembles to some degree the equipment that is to be used on the job. Usually such devices are used when it is impracticable for some reason to use the actual equipment (such as possible injury to the trainees or others), or when the cost of the actual equipment is excessive. Such devices may include simple mock-ups, models and prototypes or extremely compels simulators such as those used by the military services for, say, training aircraft pilots. Training aids may include films and television, charts, black-boards, etc Films and television are particularly appropriate in those situations where individual ales cannot be made to assemble, for example, in demonstrating surgical techniques. Such techniques are more economical than several others since they can be used over and over again.

(3) Conferences. Mutual problems form the subjects of discussion in a conference. Participants pool their ideas and experience in attempting to arrive at improved methods of dealing wing these problems. The attitude is one of joint exploration. Members of the group come together to teach each other and to learn together. This method is most appropriate for the purpose of: (i) developing the problem-solving and decision-making facilities of personnel: (ii) presenting new and sometimes complicated material: and (iii) modifying attitudes.

(4) General education programmes. Many companies go beyond training employees for specific job skills by offering programmes of general education content, such as courses in economics, art, science, and so on. These courses are usually voluntary and participants usually take them on their own/ time. The company's rationale for such programmes is that such programmes will benefit the company in intangible ways through a change in employees' attitudes.

General education programmes rely mainly on traditional classroom methods of instruction. Sometimes the method of programme instruction is also followed.

5.7 EVALUATION OF TRAINNIG

A desirable, if not essential, if not essential, characteristic of all training programmes is a built-in provision for evaluation. The four main dimensions of evaluation are:

i) Evaluation of contextual factors ;
ii) Evaluation of training inputs;
iii) Evaluation of the training process; and
iv) Evaluation of training outcomes.

(i) Evaluation of contextual Factors. Training effeteness depends not only on what happens during training, but also on what happens before the actual training and what happens before the actual training and what happens after the training has formally ended. Evaluation should, therefore, be done of both the pre-training and post-training work. Pre-training work includes proper identification of training needs, developing criteria of who should be sent for training, how many at a time and in what sequence, helping people to volunteer for training, building expectations of perspective participants from training, etc. Post-training work includes helping the concerned managers to plan to utilise the participants' training, and provide the needed support to them, building linkages between the training section and the line departments and so on.

(ii) Evaluation of training input. This involves the evaluation of training curriculum and its sequencing.

(iii) Evaluation of training process. The climate of the training organization, the relationship between participants and trainers, the general attitudes and approaches of the trainers, training methods, etc., are some of the important elements of the training process which also need to be evaluated.

(iv) Evaluation of training outcomes. Measuring training outcomes in terms of what has been achieved and how much is the main task of evaluation. This, however, is a complex technical and professional task. Benefits of a training programme are not always obvious and they are not readily measurable. Payoffs from training are intangible and rather slow to become apparent. A central problem is the absence of objective criteria and specific definitions of relevant variables by which to measure the effectiveness either of specific programmes or of results in terms of general development or changes in employee behaviour. Nevertheless, good personnel managers do make an effort to systematically appraise the benefits and result of their programmes.

In job related training, where the objective is to train people for specific job skills so that the productivity may increase, evaluation can be done either according to the direct criterion of increase in output or according to the indirect criterion of decrease in costs, breakage or rejects. Even more indirect are measures that point out changes in absenteeism or turnover. The most difficult problems of evaluation lie in the area of human relation, skills training which is given to the supervisors and middle level managers. Supervisory and managerial training programmes are, for this reason, less amenable to objective review procedures. Much subjectivity enters into evaluations of these programmes, since exact standards and criteria, are hard to devise.

How evaluation is done?

Most training evaluation methods seem to fall into one of the following categories:

1. Opinion surveys of participants or of people who have seen the participants in action.

(i) Generally, a questionnaire is given to the participant at the end of the programme which asks him to rate in terms of his personal perceptions what he liked best, what he liked least and any other comments he might have about the programme.

(ii) Sometimes scalar ratings are also given against every question and the trainee is required to check off the degree of satisfaction which he found in each answer.

(iii) Participants are required to give daily ratings for each segment of the programme. One advantage of this method is that it provides the manager of the training programme an immediate feedback which he can make use of for the adjustment and subsequent improvement of the following day's programme.

(iv) Sometimes a management representative may drop around during a coffee break and by putting questions to one or two participant, informally collect information about the success of the training programme. Since such samplings are not scientifically designed, the results may not be always accurate.

(v) Sometimes the participants may be asked to send their opinions by mail on reaching their organizations. The theory here is that opinions given immediately at the conclusion of the course cannot possibly have the objectivity which is desired in the appraisal of the programme.

(vi) The boss, pears or subordinates of the trainee may be questioned about the changes which have taken place in the trainee as a result of the training programme.

2. Objective measurement of participant's performance when he is back on the job. The assumption here is that effective training should be reflected in the trainee's increased job proficiency. Thus, for example, a training given to salesmen is successful to the extent it has increased sales, a training given in cost reduction is successful to the extent it has helped people in reducing costs and a training in work implication is successful to the extent people have simplified their jobs. If the trainee is in a supervisory capacity, evaluation may have to be based upon the performance of his subordinates for the simple reason that no objective criteria are available supervisory personnel.

There are three basic techniques followed under this method. These are:
(i) controlled experimentation,
(ii) "before-and-after" comparison, and
(iii) after the training study.

Controlled experimentation requires the use of two groups of employees, namely, “training” group and a "control" group. Performance is measured of both the groups before training is started. The training group is then given the training, while the control group is not (the group continues to perform the job without training). After the first group is trained, performance of both the groups is again measured. A subsequent comparison is then made of the improvement in both groups to determine if the training group improves significantly more than the control group. The second method involves, the use of a single training group with performance being measured before and after the training. The third method also involves a single training group but with performance being measured after the training (but not before).

Of these, the first technique (controlled experimentation) is considered as the most scientific one that really provides a solid basis for evaluation of the training. The second technique does not provide the basis for knowing how much improvement would have occurred without training. The third technique does not provide any basis for knowing how much improvement actually occurred during training.

3. Evaluation of performance appraisals. Under this system routine appraisal of employees is used to evaluate the effectiveness and impact of training also. For example, if an individual is reported by his boss on his annual appraisal to be somewhat deficient in human relation, he might then be enrolled in a course to correct these defects. If might then be an appropriate thigh to ask at the conclusion of this course what his next appraisal showed. If his behaviour did change and the appraisal is better, this is a form of evidence which shows that the training programme might have had an effect.

4. An overall look at the aggregate growth of people in the total organization. Sometimes, particularly in the evaluation of management training, instead of attempting atomistic measurements of improvement in an individual, group standards of performance, group efficiency and group behaviour should become the focal Point. Without such aggregate measurements we can never discover the impact of management training on such vital group phenomena as cooperation between the small groups, inter- personal relationships, etc.

If evaluation in any form is to be effective, it must be done in accordance with the following proven principles:

(1) Evaluation must be planned. What is to be evaluated, when, by what means, and by who must be determined in advance.

(2) Evaluation must be objective.

(3) Evaluation must be verifiable. Results can be confirmed by the same or different means.

(4) Evaluation must be relevant. It must be conducted in terms of purpose and objectives that are germane to both training and development and enterprise programme.

(5) Evaluation must be co-operative. It must involve all who are a part of or affected by the training and development programme. It is not a contest between the evaluator and the subject of the evaluation.

(6) Evaluation must be continuous.

(7) Evaluation must be specific. i.e., it should tell about specific strengths and weaknesses and should not make vague generalisation.

(8) Evaluation must be quantitative.

(9) Evaluation must be feasible. It must be administratively manageable.

(10) Evaluation must be cost effective, i.e., the results must be commensurate with the costs incurred

5.8 SUMMARY

Training is concerned with increasing Knowledge and skill in doing a particular job. On the other hand, education is concerned with increasing general know edge and understanding of our total environment. Every organization must have a training policy which should provided for the place to be accorded to training in the organization, .the purpose to be achieved through training, the methods to be followed and their evaluation.

5.9 SELF-ASSESSMENT TEST

Answer the following questions in one page each:

(a) Distinguish between training and education. Are you trained or educated by a University?

(b) How can you identify the training needs of your workers?

(c) What is on-the-job-training method?

(d) How can a training programme be evaluated?

5.10 KEY WORDS

Capsule Method. Also known as the Training within Industry, it is the process which specifies 4 step in which on-the-job-training of operatives should be carried out.

Job Rotations. This is a form of on-the-job-training in which the employee is rotated on different jobs there by providing him a wider-exposure.

Simulators. These are artificial devices used in training when it is impracticable for some reason to use the actual equipment.

5.11 FURTHER READINGS

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UNIT 6
Promotion and Transfer

Objectives :-

The objectives of this Unit are to help you understand:

- Meaning of promotion, demotion and transfer
- Purpose of promotion and transfer
- Basis of demotion and the underlying causes
- Transfer policy of Principles of transfer.

Structure :

6.1 Introduction
6.2 Definitions
6.3 Promotion
6.4 Demotion
6.5 Transfer
6.6 Legal Decisions
6.7 Summary
6.8 Self-assessment Test
6.9 Key words
6.10 Further Readings

6.1 INTRODUCTION

This unit introduce you to three important job changes namely Promotion, Demotion and transfer.

The ever changing turbulent and dynamic environment of industrial or business organization requires their human resources to be in a constant state of development. Position and rules of individual in the organization or company change constantly since many forces are at work generating the need for change in position and rule role assignment. In this direction we have the policy of promotion and transfer which related to internal employee mobility. The main changes relating to internal employee mobility are 'Promotion' and Transfer'. But there may be some job changes such as 'Demotion' within an organization. We would discuss the various aspects of these job changes.

6.2. DEFINITIONS

Promotion

1. A Promotion is the transfer of an employee to a job that pay more money or that enjoys some perfect status.

- Scct & Spriegal

2. A Promotion is the advancement of an employee to a better job-better in terms of greater responsibilities, more prestige or status, greater skill and especially, increased rate of pay or salary. Better hours or better location or working conditions may also characterized the better job of which an employee seeks promotions, but if the jobs does not involve greater skill or responsibilities and higher pay. It should not be considered a promotion.

- Pigors and Myers

3. Promotion is defined “as a moment to a position in which responsibilities and presumably, prestige are increased”.

Demotion

A demotion is a down word assignment to an employee in the organization.

Transfer

A transfer involves the shifting of an employee from any job to another without special reference to change responsibilities to compensation.

-Dale Yoder

Transfer may involve Promotion, Demotion or no change in status and responsibilities.

- Dale Yoder

A transfer is a change of assignment in which the individual moves to another job at approximately the same level of responsibilities, demanding about the same skill and at about the same level of pay.

- D. E. McFarland

Transfer refers to "change in which the pay, status and job condition of the new position are approximately the same as of the old."

-Michael J. Jucion

6.3 PROMOTION

Kind of Promotion

≈ **Vertical Promotion and Horizontal Promotion**

Promotion with result into handling of almost the same type of work as in earlier assignment is called the Horizontal Promotion; on the other hand the job change involving substantial change in the nature of job is called the Vertical Promotion.

≈ **Formal and Information Promotion**

You may find the examples of many such organizations which do not follow a systematic approach to promotions. They depend on 'informal systems' in which case decisions as to who should be promoted usually await the occurrence of a vacancy. Even the basis upon which decisions are made may vary from vacancy to vacancy and from time to time. Moreover there is great amount of subjectivity involved in the decisions related to promotion. You may observe that managers usually request certain individuals whom they like to be promoted with no consideration for married and seniority. Some of you may advocate of this system due to its simplicity. However, you should remember that eventually this system leads to loss of morals. The limitation of the 'informal system ' becomes more evident when the size of the organization increases. What follows the growing size of organization and loss of employee morale in 'formal system'? It aims at using the objective evaluation of the responsibilities of a position as well as an appraisal of the individual's capabilities in terms of potential performance. A systematic plan of promotion must contain: (a) establishing a plan of job relationship (i.e. to determine the horizontal as well as vertical relations) between the jobs; (b) establishing a plan and policy of objectively selecting appropriate employees for promotion to available job vacancies, not according to personal but agreed upon standards that may include a balancing of seniority and merit and (c) designing and maintain a plan of adequate records and reports including forecasts of job vacancies, central reporting of vacancies locating qualified employees, notification of all concerned and follow-up of promoted personnel.

≈ **Open promotion and closed promotion**

The basis of this classification is, whether the vacancy is restricted for sum or open for all and whether an announcement for the vacancy is made or not. In the 'open promotion system' an organization or company considers all individuals within it as potential candidate at it announces its various higher or better position openings internally whereas, in the 'closed promotion system' anodic for higher position openings or vacancies is restricted and not open for all individual within the organization follows the 'open-system' of promotion.

≈ **'Up and Out' promotion**

In some companies, promotion may be termed as "up and out" whereby an individual employee in the organization is first moved up and then advised that the performances in the new assignment is unsatisfactory or the job itself is being eliminated.

≈ **Departmental and Inter- departmental**

Another types of promotion may be 'Inter- departmental promotion' which are vertical in nature involving substantial amount of change in the nature of job. 'Departmental Promotion' which are horizontal involving almost the same type of job.

Purpose of Promotion:

Now you know about some of the promotion system offering in various organizations. But did you try to analyze why at all do we need a promotion policy or promotion system? So, let us see what the purposes of promotion are.

The general objectives of promotion is to improve the operating effectiveness, as far as possible to satisfy the preferences of individual employee, though various types of reassignment differ in their specific purposes and in the attitudes of employees and manager/executives concerned towards them. According to Michael J. Jucius, the primary objective of promotion is to increase the effectiveness of the organization in attaining its service and profit objectives. Another important purpose of promotion is of a personnel nature, we have seen that job changes provide for an opportunity to present employee for movement to new jobs that may open up new avenues of advancement through greater compensation, personnel satisfaction and prestige or bringing about "Job Enlargement" by adding the spice of variety to daily routines. Dalton E. Mefarland believes that promotion or transfer or position reassignment may serve for purposes from the point of view of the company viz., (1) improving organization structure (2) Maximizing the effectiveness of its employees through assignments to position using the highest capabilities of each; (3) Augmenting policies of disciplinary action, and (4) Adjusting to changes in operation.

We do not challenge the need for flexibility in allocating organization's manpower among alternate uses. We also believe that at times, unforeseen circumstances may often require a manager to make position reassignments at short notice. However, under all circumstances he must try to achieve his purpose of advancing the interests of the company with due recognition, at the same time, of the problems of those to be effected by the proposed changes of course, individual employees often relish promotion for they develop interests not only in their particular positions, many of them develop interests not only in their specific work but also in their work- place or even in their specific equipments like machines, tasks etc. and many develop attachment or resentments to colleagues or other persons.

According to G. Walkins and others ('The Management of Personnel

Relations', 1950), there are following purpose of 'promotion from within' (present employees of company);

(a) To provide an effective incentive to present employees for initiative, enterprise and ambitions.

(b) To conserve proved skill, training an ability of the present employee;

(c) To reduce discontent and unrest among present employees

(d) To attract suitable and competent personnel (for specific position); and to suggest logical training for advancement.

The above discussion follows that the purposes of promotion can be:-

≈ To make effective use of the manpower by providing them the job as per their abilities and capabilities.

≈ To reward the employees for their service to the organization and create good human-relations.

≈ To provide the employee an opportunity to exhibit their abilities and to provided a forum for their advancement and development

≈ To add the spice of variety to daily routines of the employees.

≈ To motivate the employee to be an effective, willing and enthusiastic employee.

≈ To add to the morale of the employees.

≈ To attract good personnel from outside the organization

≈ To promote stability in employment (promotion retains competent employees by providing fair means of career development).

≈ To fill up vacancies.

≈ To provide for an attractive incentive to present employees to exhibit their initiative, enterprise and ambitious.

Seniority Vs Merit

No discussion on promotion would be complete without reference to the criteria for promotion. 'Merit' and 'seniority' are two formal bases of promotion decision. Management generally prefer 'merit' as determined by job performance and analysis of employee potential for development as the basis of promotion. However, trade union frequently distrust 'merit' as the basis for promotion and in many cases even the non-union employees also share the same view. They advocate 'seniority' based on employees length of service and counted from the date of joining the organization as the basis of promotion. Let us analyse the merits, and demerits of both 'merit' based promotion and 'seniority' based promotion.

Some benefits or advantages claimed for 'merit' based promotion are : (1) High productivity resulting from the employee's promotion based on their job performance; (2) recognition and rewards for extra knowledge, competence, drive and initiative ; (3) greater motivation of the employee as they do not have to depend only on seniority or the length of service for self-development ; (4) Retention of competent employees in the same organization as they do not have to search avenues of self development or advancement elsewhere. However, this is a complicated task to follow this system. The main difficulty in weighing merit in making a promotion decision is the lack of objectivity. To evolve the objective criteria for the purpose is a difficult task. However, some people suggest test scores or other method of employee ratings or performance appraisal may be used. Nevertheless, the point is that there are no accurate procedures that are free of judgement or which exclude opportunistic or political factors. Another problem is that there is still no agreement about the criteria by which effectiveness tor meeting promotion requirement may be measured.

Now let us move over to assessment of 'seniority' as the basis for promotion. To begin with let us see the benefits or advantages claimed in favour of the system of promotion by seniority. They include (1) It is simple to understand and implement promotion plan based on seniority; (2) It is an objective means of choosing the individual for the next higher assignment. It is the system that works and the individual whims and bias of the managers do not have any place (3) It embarks a sense of certainty in the employee in perceiving his future job prospects; (4) It has the benefit of being in consonance with our cultural value of respect for seniority; (5) It instils discipline in the organization and respect tor senior or older members-of the organization; (6) seniority based promotion prevent people from leaving an organization. The result is low turnover (T) it ensure Job knowledge and experience in persons filling vacancies. But seniority as the basis for promotion is subject to-certain limitations; (1) there is no guarantee that the experience indicated by seniority will produce ability. Oldest is not always the ablest. The kind of repetitive experience does not always add up to the depth of understanding or rental development (2) This may embark the feeling of frustration among the competent and industrious employees for they would have to in terms of time for their promotion. Initiative thinking which is a must for any progressive organization is binding; (3) There is no incentive motivation to employees for improved performance or to prepare them for self development or advancement.

Compromises have bead worked out between the extremes of pure seniority and pure merit, as both of them are from perfect, one which may be phrased, "when ability is substantially equal, seniority will govern." What is your opinion?

6.4 DEMOTION

Recall that a 'demotion' is a downward assignment to an employee in the organizational hierarchy. Yes, it has a negative connation, as it implies the reverse of upward mobility and refers to the lowering of down of the status.

Basis of demotion:

Demotion may be initiated not only by the management or the company but also by the individual employee. Employee may request a return to the former position or to a lower level of responsibility, perhaps when they discover that the dork at the level of promotion is beyond their abilities or interests when the individual initiates a request of this kind specially after staying at the new job for some time, say a year and then deciding voluntarily that he likes his old job better. There may be less potential for damage to self-esteem and feeling of status since the individual can explain to his new colleagues why he is returning. Sometimes individual may request for return of the old position or Job if things do not work cut in a promotion about which they are not sure.

What are the courses of demotion? Well, the causes of demotion may be different. Some of the causes of demotion are: (1) Economic cause; A demotion may be made as an adjustment to economic conditions e.g., when because-of changes in technology or job methods and practices, old employees fair to adjust themselves With their job or when fail to perform their job properly because of ill health or other such personal reasons. For old employees with a long and meritorious service, demotion or downward movements should be softened by changing job little or some of the position's responsibility possibly at the same pay (2) Personal cause: A demotion may be made as a step necessary to help an individual solve his personal problem. For example, when an employee in terms of job performance, capabilities or interest required for the job say following his promotion or transfer, finds it difficult to fulfilled requisite job standards. Thus may be an error on the part of either manager or the individual or this could be a calculated risk. In such a case prompt correction of error may benefit both company and the individual (3) Organization cause: A demotion may be made as a step to absorb employee rendered surplus because of some department being combined eliminating certain jobs. In such a case employees may be required to accept lower level positions until normalcy is restored. (4) Disciplinary cause: There are certain actions on the part of the employee that impels management to take disciplinary action against them (for example, insubordination or misconduct). As a form of disciplinary action, employee may be demoted. However, Demotion of an employee for disciplinary reasons should be avoided or should be a last resort decision since it is severe penalty just short of discharge.

Demotion policy: To promote an employee is easier than demoting him. Demotion is opposed and the union. Moreover, demotion often reads to defensive behaviour, emotional turbid, lack of efficiency or resignation on the part of the employee who is demoted. There are some organizations which operate in such a way as to prevent or discourage demotions. It has been observed that some of the manager feels reluctant to take the step of demoting their subordinates. Does it not imply that demotion should not be used or applied as a means of job change? Demotion is a necessary part of the administrative apparatus of any organization. What is required is to have an over-all demotion policy in the organization. In this regard Dale Yoder and others have suggested the following policy (i) A Clear cut and reasonable set of rules to be followed by employees should be framed and this information should be communicated clearly to all employees; (ii) Violation of such rules should subject an employee to demotion after alleged violation has been properly and competently investigated; (iii) In case of violations, there should be a consistent and equitable application of penalty in term of demotion, preferably by the immediate superior; and (iv) There should exist a provision for review automatically through a grievance procedure, if it exists of through other provisions specifically provided for the purpose.

6.5. TRANSFER

Types of Transfers: We can consider the types of transfer from two angles form the point of their objective and based on plant or unit.

a) Production transfers which are frequently made when the need for manpower in one job or department is reduced or increased because of changes in demand. The dropping of the existing product lines or the introduction of newlines of production causing fluctuations in work requirement. Such transfers are made to prevent lay-offs: production transfers, at about the same occupational level, help to stabilise employment in an organization.

b) Personnel Transfers which involve shifts made to meet the requests or needs of employees. Such needs may arise because of faulty selection and placement of the employee concerned or because the individuals concerned may find their interests changing or family circumstances may necessitate a change in residence, etc., or individuals concerned may find themselves unhappy with their immediate supervisors or co-workers.

c) Versatility Transfer which intended to increase the versatility of an employee through ample opportunities for gaining a varied, broader and richer job or work experience. The facility of 'job enrichment' and 'job enlargement' not only makes the employee more effective at work also prepares him for higher job opening in future.

d) Remedial Transfer which are made to remedy the situation arising out of a faulty selection initially. When an employee does not perform a job satisfactorily or adequately well and the management feels that the employee concerned can be more useful or suitable in view of his such a transfer is affected. These transfers help individual employees to adjust themselves better with their jobs or supervisors.

e) Replacement Transfers which from the point of view of purpose are similar to production transfers and are used to replace a new employee by an employee who have been in the organization for i sufficiently long time. Such transfers are intended to prevent lay-offs.

f) Shift Transfers which are made to help employees work in a particular shift as per their convenience. Since many employees may dislike a particular shift as that adversely affects their participation community life or prevents them from meeting certain important obligations, 'shift transfer' are introduced by the management.

g) Plant Transfers which are made to adjust the workforce of one plant with that of another when the plant is closed down for reasons beyond the control of the employee concerned. Such transfers are made on humanitarian grounds and aim at preventing unemployment of employees who have been in the service of the organization for a long time.

h) Temporary Transfer and permanent transfers: W. D. Scott, R. C. Clothier % W. R. Spriegal classify into 'temporary transfers' AND 'Permanent transfers' according to the convenience. of the company and according to the convenience of the employee. According to the convenience of the employees, 'temporary transfers are made on the grounds of ill-health or accident causing temporary disablement and ‘permanent transfers’ are made on the grounds of ill-health or disablement of a stable nature or the employees desire to learn a particular skill etc.

Why Transfer:

Some of the benefits accruing from transfer through a good transfer policy may be put as follows:

1) They correct faulty selection and placement of the employees ;

2) It helps to stabilise fluctuations in work requirements;

3) An effective transfer policy provides greater job satisfaction to prevent employee through ‘job enrichment’ and ‘job enlargement’.

4) Transfer increase motivations and productivity by developing the skill of the employees and avoidance of monotony ;

5) It increases the effectiveness of the organization and raises its productivity ;

6) By providing opportunities for varied and broader job or work experience, transfer bring about the development of present employees for promotional avenues in future ; and

7) Transfer brings about improvement in relations between the employee and their supervisor.

Why not?

One important disadvantage is that a company may transfer ‘less than the best’ person to a vacant position since it may probably accept the first satisfactory employee available from within instead of going on open labour market to search the best possible person. Thus, an organization may be forced to use a restricted manpower base. Secondly a situation of too many employees willing and really of transfers compared to available opportunities in an organization is likely to produce unrest, lower morale and other undesirable effects among the employees.

Transfer Policy

Now let us move over to the aspect of Transfer policy. We would consider the ingredient of a good transfer policy along with the steps in transfer procedure. You should know that transfers can be initiated either by the supervisor or the manager or subordinate in some unusual case the initiative for transfer could be made by the personnel department for likely varying reasons. Also remember that every organization should have systematic impartial and just transfer policy. Another important factor is the communication of the policy to all the employees. It is better if the policy is in writing. It should be clearly disseminated. Careful investigations should be made of the transfer requests either from a manager or an individual employee. This helps in ascertaining the relevant facts of a given situation.

Many such requests may ne of routine nature. They require little investigation or handling. Another precaution is to see that large scale transfer should not be made at one time. Now another questions is, who should to entrusted with the responsibility for taking decision on transfer request. The possibility for effective transfers is usually entrusted with an executive with power to prescribe condition under which the requests for transfers are to be approved but in many cases the personnel department are authorised to exercise the find approval to transfer requests. The last the final step in the process of transfer should be a follow up procedure. The follow-up procedure is usually conducted by the personnel department after the lapse of a given period of time.

With this background, let us see what are the provisions that should be made in a sound transfer policy. well, a systematic or good transfer policy should provide for the following :

1) The types of transfers and the circumstances under which they will be used should be specifically classified.

2) The authority or officer who would be responsible for initiating and approving transfers should be clearly laid down.

3) It should be clearly specified whether transfer can be made within a sub-unit or only between the departments, divisions and other plants. There are certain organizations that have various divisions. It is required to specify if inter-division transfers can be made.

4) The basis of transfer should be clearly indicated such as seniority, merit or skill or any other factor.

5) A timely communication of the transfer decision to the employee concerned should be specifically provided for in the transfer procedure.

6) The change in the rate of pay or earning after the transfer of the particular employee should be indicated;

7) Another point is regarding the seniority of the transferred employee. It should be prescribed whether or not the seniority credit of the transferred employee will be retained or not.

In practice transfer policy and procedure vary from organization to organization. Each company formulates its own policy and frames rules in this connection. You want to know about some examples from Indian Industries. well, here they are : At Tata Engineering and Locomotive Co. Ltd., employees are transferred from one establishment of the company to another at the discretion of the company. In such cases of transfers changes in earnings of the employee concerned are made on the basis of the job assigned to them. The transferred employee is governed by the rules in regard to D.A., rent subsidy, etc. applicable to the establishment which he has to serve. At the Sandoz (India) Ltd. Bombay transfers within the departments or from department to department or from branch to branch are a part of the service conditions of employment of all the workmen. This at the discretion of the management, through an employees pay or seniority is not adversely affected by such transfers. Transfers are initiated by the plant

Manager in consultation with other managers concerned as well as the personnel department. The transfer may be objected to nine the case of lack of good faith or victimisation or when the transfer is made by way of punishment. It cannot be questioned on the ground that future prospects of promotion will be hampered or the opportunity for overtime earnings is reduced. This is a sorry state of affair. Non-compliance of a transfer order is viewed as misconduct and may be taken as voluntary abandonment of service in extreme cases.

6.6. LEGAL DECISIONS

On Promotion: If the employer creates a new post and appoints a new man to that post, it cannot he said that thereby the status of an existing employee is in any way prejudicially affected (Vishnu Sugar Mills Vs Their workmen 1960, 3 SCR, 13).

While annual promotion and increment of salary within the same organization must be automatic and without any interference by the employer, the promotion from one grade to a higher grade is a matter of discretion for the employer. But this discretion should be, exercised judiciously, that is on consideration of efficiency, quality of work, regularity of output etc. (Indian General Navigation and Railway Company Ltd. Vs Its Employees, 1961, 2 LLT, 372).

Failure to promote an eligible employee who is senior in service amounts to unfair Labour practice. But in the absence of mala-fides, it must be left with the discretion of management to decide which of employer must be selection promotion at a given time (Brooke Bond India private Ltd. Vs. Their workmen 1963, 1 LLJ, 256)

On discretion to transfer an employee.

There are no specific provisions in any law in regard to transfer. It was the Bank Tribum 1 Award (generally known as Shastri Award), which for the first time imposed restrictions on the employer's discretionary right to transfer an employee from one branch to another in a Bank.

However, in some recent decisions of the supreme court, the principles governing transfer have been classified. It has been held that the employer has the right to transfer workman from one department to another department in the same establishment. Such a right is implicit right of the conditions of service and it can be exercised without giving any reasons (Bareilly Electric Supply Company Ltd. Vs Sirajuddin 1960,1 LLJ, 556) But no employer does not have the power to order transfer of a workman from one establishment to another in the absence of an express permission in the contract or in the standing orders. This power is not implicit in the contract of employment. Even where such power is given to the employer by the terms of the contract or by the standing orders the transfers order is liable to be set aside if it is shown that is not made bonfire in the interest of business but only to victimise the workmen. Therefore, such power of transfer from one establishment or from one place to another can be exercised only in good faith and in the interest of business (National Radio Corporation Vs Workmen, 1963,1 LLJ, 282).

6.7. SUMMARY

We have considered there important job changes, proportion, Demotion and transfer. These are necessary administrative apparatus for any organization. It is important to know the causes leading to these practices. Promotion, Transfer and demotions involve human being in the organization as well as their job. Effort should be made to have clear-cut policy on their administrative apparatus in order to ensure acceptability by behaviour, lack of efficiency or resignation on the part of the employees. You success or otherwise as manager depends on how well do you practice these job changes.

6.8. SELF ASSESSMENT TEST

Answer the following in 200 words :

1) Contrast the advantages of seniority with those of merit in making decision about promotion.

2) What are the causes of demotion ? How can you administer it successfully ?

3) What objectives or purposes are served by transfers ?

4) What objectives or purposes are served by transfers ? How would you classify promotions and transfers ?

6.9. KEY WORDS

Promotion : A movement to a position in which responsibilities and presumably, prestige are increased.

Demotion : Downward assignment to an employee in the organization.

Transfer : Changes in which the pay, status and job condition of the new position are approximately the same as that of the old.

Seniority : Employees length of service, counted from the date of joining the organization.

6.10. SUGGESTED REFERENCES

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UNIT 7
Job Evaluation

Objectives :-

After the careful study of this unit will enable you to:

- Appreciate the underlying concepts behind job evaluation.
- Understand the process involved in job evaluation.
- Suggest system for its implementation in your organization.

Structure :

7.1. INTRODUCTION

Job evaluations are the output provided by job analysis. Job analysis described the duties of a job authority relationship, skills required, conditions of work, and additional relevant information in job analysis to evaluate each job – valuing its consonants and ascertaining relative job worth. It involves, in other words, a formal and systematic comparison of jobs in order to determine the worth of one job relative to another, so that a wage or salary hierarchy results. It is a process by which jobs in an organization are appraised.

7.2. MEANING and DEFINIONS

Job evaluations and collective bargaining are not incompatible: they can and do exist within the same organization. Job evaluation would reduce the area of collective bargaining by systematizing the determination of internal consistency, which is concerned with proper wage differentials. Collective bargaining must still work to attain the objective of external consistency, the raising or lowering of the entire wage structure. Job evaluation should determine the shape of the wage structure and collective bargaining the location of the entire structure as a unit. Labour unions can also participate in the design and administration of the job evaluation system.

When jobs are evaluated, the relative worth of a given collection of duties and responsibilities is assessed. This process is adopted to help a management to maintain high levels of employee productivity and employee satisfaction. If job values are not properly studied, it is very likely that jobs would not be properly priced, i.e. high-valued jobs may receive less pay than low-valued jobs. When employees realise that this is happening they become dissatisfied. They may leave the organization, reduce their efforts or perhaps adopt other modes of behaviour detrimental to the organization. Therefore, in modern society, a great deal of attention is paid to the value of a job.

MEANING AND DEFINITIONS

Job evaluation is an orderly and systematic technique which aims at determining the worth of job. In other words it is a formal system of determining the basic compensation of job. The basic object of job evaluation is to ascertain the relative worth of each job through an objective evaluation so that relative remuneration may be fixed for different jobs. Job evaluation may be defined as an attempt to determine and compare the demands which the normal performance of particular jobs make on normal workers, without taking into account of the individual abilities or performance of the workers concerned.

Job evaluation rates the job and not the man. It takes into account the demands of the job in terms of efforts and abilities but it does not take into account the individual abilities and efforts, which may of course be taken into consideration and reflected in the workers earnings under a system of payment by results or by merit rating.

Job evaluation is a systematic procedure for determining the relative worth of jobs. Once the worth of jobs is determined, it becomes easier to fix the wage structure that will be fair and equitable. Thus it is an important tool in fixing the scales of wages for different grades of jobs. Job evaluation is the process of analysis and assessment of jobs to ascertain as the basis for a balanced wage structure. There for, job evaluation is something more than job analysis; it is in no way concerned with calculation of job's worth. It is only concerned with the collection of data concerning particular jobs.

Job evaluation follows the job analysis which provides the basic data to be evaluated. Obviously, job evaluation aims at measuring the value of job descriptions and job specifications. When the values of job descriptions are determined, they may be translated in terms of money according to some basis to have a balanced wage structure in the organization. The total wage structure consists of different scales of wages or pay which will lead to classification of wages. Thus the process of job evaluation starts from job analysis and ends with the classification of jobs according to their worth.

For a better understanding of the terms 'Job evaluation' it will be worthwhile to quote here some standard definitions, these will provide more details as to the meaning of the terms and a better understanding of its scope.

Below are given some important definitions of job evaluation:

The I.L.O. defines job evaluation as "attempt to determine and compare demands which the normal performance of a particular job makes on normal workers without taking into account the individual abilities or performance of the workers concerned".

The Bureau of Labour Statistics, U.S.A., says that "Job Evaluation is the evaluation or rating of jobs to determine their position in the job hierarchy. The evaluation may be achieved through assignment of points or use of some systematic method for essential job requirements, such as skills, experience and responsibility.

Kimball and Kimball define job evaluation as "an effort to determine the relative value of every job in a plant to determine what the fair basic wage for such a job should be"

According to Wendell French, "Job evaluation is a process of determining the relative worth, of the various jobs within the organization so that differential wages may be paid to jobs of different worth".

In conclusion we may define job evaluation as a process of analysing and describing positive, grouping them and determining their relative value by comparing the duties of different positions in terms of their different responsibilities and other requirements.

7.3 OBJECTIVES

The most important-aim of Job evaluation system is to determine the relative worth of a job in an organization. Some of the significant objectives of job evaluation are:-

(i) To secure and maintain complete, accurate and impersonal descriptions of each distinct job or occupation in the entire plant;
(ii) To provide a standard procedure for determining the relative worth of each job in a plant;

(iii) To determine the rate of pay for each job which is fair and equitable with relation to other jobs in the plant, community or industry;
(iv) To ensure that like wages are paid to ell qualified employees for like work;
(v) To promote a fair and accurate consideration for all employees for advancement and transfer;
(vi) To provide a factual basis for the consideration of wage rates for similar jobs in a community and in an industry; and
(vii) To provide information for "work organization, employees, selection, placement, training problems and numerous other similar problem.

In fact, the primary purpose of job evaluation is to set wages and salary on the basis of the relative work or jobs in the organization. It does this by providing a ground for the following matters.

a) Equity and objectivity of salary administration, i.e., paying the people whose work is alike the same wages, and establishing appropriate wage differentials between jobs calling for different skills and responsibilities;
b) Effective wage and salary control;
c) Union-management negotiations on wages; and
d) Comparison of wage and salary rates with those of other employees.

Besides setting wages, job evaluation also helps in:

a) Providing standardisation of, and improvement in, working conditions;
b) Clarifying the functions, authority and responsibility of employees;
c) Establishing references for settlement of grievances arising out of individual rates and for negotiations with a trade union on internal structure and differentials;
d) Developing machinery for systematic reviewing of job rates as job contents change; and
e) Developing personal statistics.

7.4 FACTORS

Job evaluation generally follows the procedure in which one job is compared with, another by focussing on certain 'basic factors', which may be common in each job. Such factors are called compensable. Factors - which determine the definition of job content; that determine how the jobs compare to each other.

A job factor is a specific requirement levied upon the jobholder, which she or he must contribute, assume or endure. In general, there are four major job factors in use (i) Skill, (ii) Responsibility; (iii) Effort, and (iv) Working conditions. In another sense, these are the values for which an employer pays money. One buys a certain amount and level of skill and effort. One also buys the abilities to assume certain amounts or responsibilities and to endure certain specific working conditions.

The number of factors used in any one system varies with organization. Some use only the four listed above. More frequently, these four major factors are divided into number of smaller factors; the most common number used is approximately ten or eleven. One of the most widely used factors along with smaller factors in USA and other countries are:

Skill	***responsibility***	***Effort***	***Working Conditions***
Education	Equipments or process	Physical	Work conditions
Experience	Mental & visual	Hazards	
Initiative and of others	Material or Product	Ingenuity	Safety of others work

The measurement of skill is accomplished indirectly through evaluation of the job requirements for education, experience, and initiative. Responsibility is more specifically evaluated through a measurement of the amount and value of things and the number and kind of personnel for which the job incumbent is accountable. In most instances, effort is divided into mental and physical energy required to be expanded, though occasionally the requirement for emotional effort is considered important. Working conditions constitute one factor which labours and management are agreed is directly and specifically compensable. It is measurement is concerned with the necessity for enduring disagreeable and hazardous conditions.

The selection of specific job factors to be used in any one system must be made by the organization concerned, as each system should be tailored to specific requirements. As the contents of jobs are altered by technology and automation, it is logical that job evaluation systems should change in response.

For each factor selected as important, a year stick or scale of values must be constructed to permit measuring the factor in each job. In most system, the factor of skill is allocated the greatest percentage of value. Responsibility is ordinarily second in importance, with effort and-_ working conditions given approximately the same value. The most- widely used system called NEMA-NMTA (National Elect. Mfg. Assoc. -National Metal Trade Assoc. USA) has the following break down for the factors –

Factors	**No. Of Points**	**Percentage**
Skill	250	50
Responsibility	100	20
Effort	75	15
Working condition	75	15

7.5 TECHNIQUES/ METHODS

There is no standard classification of factors to be considered under job evaluation. In general, the more different the job, the more it is worth. Several system of job evaluation have been developed which take into account the above mentioned factors directly or indirectly.

There are four types of job evaluation methods. These can be divided into two categories:-

1. Non-quantitative methods :

(i) Ranking or job comparison.

(ii) Grading job classification.

2. **Quantitative Methods :**

(i) Point System

(ii) Factor comparison system.

The first category covers the simple methods which apparently make no use of detailed job factors. But they remain in the minds of the evaluators and thus affect the results. The job is treated as a whole, and job descriptions rather than job specifications are often utilised. But the methods under the second category use a detailed approach. Job factors are selected and measured but job specifications are definitely given consideration. Let us discuss these methods.

Ranking Method

The job ranking method is the simplest of all the methods. A committee of several executives is constituted, which job descriptions and ranks them in order of importance beginning with the most important job to the least important job in the organization. No specific factors are selected for consideration.

The rank order of the job is finally determined by averaging the respective ranks of ail committee members. If the committee consists of ten persons and the jobs ranked on three occasions, the final ranking would be calculated on the basis of thirty different estimates.

To establish the rates of pay for these specific jobs, the rates of pay can be associated with those jobs in the rank order. Presumably the jobs already have wage rates attached to them, the ranking system is used to judge whether these are equitable. Ranking method is suitable for organizations of relatively smaller size. If the size of the organization is relatively smaller the job ratters will be in a better position to group up the job descriptions without experiencing much difficulty.

This method is very simple and simple and since the ratters, is familiar with the job and workers also understand the process the installation of this system is not difficult task. However, the ranking method has serious limitations that limit its usefulness, because objective judgement is required to determine the relation, and position of jobs in the rank order of the job descriptions are not accurate serious errors in ranking can occur.

Grading Method

This method is considered to be an improvement over ranking method in that predetermined scale of values is provided. This method involves the establishment of job classes or grades. The evaluation committee goes through each job descriptions and carefully weighs it in the light of certain factors like skill, experience, et. In this way, it assigns each job to a particular grade or class. For each grade or class, there is different rate of wage. The usual grades of jobs are:-

	Grade	**Jobs included**
(1)	Unskilled	Clerical or jobs requiring no extend training.
(2)	Skilled	Jobs requiring training of hand and mind.
(3)	Routine	Jobs calling for ability to classify work.
(4)	Creative	The positions of a creative nature
(5)	Executive	The position of a departmental managers.
(6)	Administrative	Position involving responsibilities of large magnitude.
(7)	Policy	Policy makers viz. GMs, Directors, etc.

The main disadvantage of the grading method is that it requires multiple systems for different types of jobs e.g. descriptions of office jobs differ widely from those of production jobs. Moreover, the installation of this method is not appropriate for big organization. Difficulties encountered with the use of this method of job evaluation result in the development of other plans which are based upon the principle of breaking jobs into their components or factors and evaluating them in terms of those components or factors.

Point Method

This is the most widely used method of job evaluation. This method, along with factor comparison method, involves a more detailed, quantitative and analytical approach to the measurement of job worth. Under this method, a quantitative evaluation of different jobs in terms of various factors (discussed already) is made. Maximum point values are assigned to each job factors required to be considered. The each job is awarded points for each of the factors. The wage level appropriate for each job is fixed on the basis of total points scored by it.

The point system is more analytical in approach and deals with various job factors. A job factor is a specific requirement levied upon the job builder which he must contribute assumes or endure. The major factors are -. Skill, efforts, responsibility and working conditions. These factors or points are later converted into money values, the procedure for designing of 'point method' is as under:-

1) Determine the type of jobs to be evaluated - The jobs in any organization will range from the top executive down to a clerk each involving different skills like - conceptual, human and technical. There should be separate evaluation programme for executives, professional skilled, semi-skilled and un-skilled employees.

2) Determine the number of factors to be used - It is very difficult to lay down the exact number of factors which should be used for evaluating a job. But there should be sufficient number of factors to evaluate all aspects of the job. The number of factors will depend upon the nature of the job.

3) Determine the number of degrees to be allocated to each factor - Each factor of job evaluation should further be subdivided into degree. The point method generally used four to six degrees for each factor.

4) Assign points to each degree of each factor – For assigning points to the degrees determined, a committee may be appointed to determined, a committee may be appointed to determine the weights of factors in terms of percentages and estimating what percentage should be allocated.

5) Definition of factors - After the selection of favours to be used, they should be properly defined and should be put in writing so that the persons using them may have the clear ideas.

Factor Comparison Method

This method of job evaluation determines the relative rank of the jobs to be evaluated in relation to monetary scale. This method is often used for evaluating while collar, professional and managerial positions, although it is equally suitable for grading others as well. It is essentially a combination of the ranking and point systems. Like rank order method, it rates job by comparing one job with another and like the point system, it is more analytical in the sense of subdividing jobs into comparable factors. Final ratings are expressed in terms of numbers.

In this method five factors are generally evaluated for each job. The five factors which are customarily used are: mental requirements, skill, physical requirements, responsibilities and working conditions. The evaluation of jobs under this method consists of following steps:-

a) Selection of factors and defining of them.
b) Selection of the key jobs.
c) Allocation of the wage for each key job to different factors.
d) Development of a job comparison scale.
e) Evaluation of each job factor by factor.
f) Finally design, adjust and operate the wage structure.

The advocates of this method point out that it is more accurate, because it is relatively more objective. It is flexible also and has no upper limited on the rating that a job may receive on a factor. Another advantage of this method is that is utilised a few factors and thereby reduces the likely hood of overlap.

The method suffers from certain limitations also. The content and value of these Jobs may change over a period of time and this will lead to future errors. It is very expensive and needs services of experts as well. Since the method is complicated, an average worker cannot understand this system.

7.6 ADVANTAGES AND LIMIATIONS

As per an ILO publication job evaluation provides the following advantage to an organization:-

a) In the case of new jobs, the method often facilitates filling them into existing wage structure.

b) It is an objective method of ranking jobs relative to one another. It may help in removing in equalities in existing wage structure and maintaining sound and consistent wage differentials.

c) The method replaces may accidental factors of wage bargaining by more objective standard, thus establishing a clear basis for negotiations.

d) The method helps remove grievances arising out of relative wage and it improves labour –management relations and workers morale.

e) The method may lead to greater uniformity in wage rates, thus simplifying wage administration.

f) The information collected in the process may also be used for the improvement of selection, transfer and promotions etc. on the basis of comparative job requirements.

Job evaluations system have some limitations as well, they are:-

(i) Rapid changes in technology and supply and demand of particular skills have given rise to problems of adjustment.

(ii) Substantial differences exist between job factors and the factors emphasised in the marked.

(iii) A job evaluation frequently favours groups different from those which are favoured by the marked.

(iv) Job factors fluctuate because of change in production technology, information systems and division of labour etc.

(v) When job evaluation applied for the first time it may create doubts and often fear in the mind of those whose jobs are evaluated.

(vi) Job evaluation takes a long time to install requires specialised technical personnel, may be costly.

(vii) When it results in substantial changes in the existing structure, its implementation in a relatively short period may be restricted due to financial constraints.

7.7 SUMMARY

Job evaluation is the output provided by job analysis. Both are distinct in nature and together form of compensation to employees. Job evaluation is a formal and systematic comparison of jobs to determine the worth of relative jobs. In process of evaluation due consideration is given to the jobs demands in terms of group efforts and abilities ignoring individuals. Job evaluation is an important tool in fixing the scales of wages for different grades of job and differs from job analysis as in no way it is concerned with calculation of job’s worth.

The most important aims of job evaluation are determination of relative worth's of jobs, standardisation of wage differentials, fixation of fair and equitable rates to pay, basis for comparison of rate of wages for similar jobs and to provide useful information for personnel administration.

In job evaluation process some basic factors are used for rating jobs. Generally the four factors used are - skill, responsibility, effort and working conditions. The number of factor used may vary from one organization to another. These factors sometimes sub-divided into a few smaller factors also-mostly numbering to ten or eleven. Further, the factors are also assigned percentage weight age for quantification lo the analysis. NEMA-NMTA model is many times followed for this purpose.

There are four types of job evaluation methods, these are –

(i) Ranking Method,
(ii) Grading Method;
(iii) Point System; and
(iv) Factor comparison system.

The ranking method is the simplest and most suitable for small organizations. The factor comparison method/system is the most complex and can suit only large organization since it requires services of exports for evaluation.

There are many advantages of job evaluation viz it facilitates fixation of job wage rates, help remove in equalities in wage structure, improves labour-management relation with supply of precise information and updates personnel policies and administration with valuable information as to different jobs. There are some limitations of job evaluation system as well viz. its weakness to tackle changing human resource environment, market environment and cost burden.

7.8 SELF ASSESSN'IENT TEST

1. What is meant by job evaluation? Discuss various steps involved in a job evaluation programme and point out at least two methods used in this context
2. Discuss Advantages and limitations of job evaluation. How does it differ from Job Analysis?
3. Explain Point System of Job evaluation. How this system can be construed as a refinement of grading method?
4. Write notes on –
   (i) Objectives of Job Evaluation
   (ii) Grading Method of Job Evaluation
   (iii) Factors in Job Evaluation.

7.9 FURTHER READINGES

1. Personnel Management — C.B. Mamoria, Himalaya Pub. Bombay
2. Personnel Management — E.B. Filioppo – (Int. ed.) McGraw Hill Pub. Bombay.
3. Personnel Management — P.C. Tripathi, S. Chand & Co., Delhi
4. Personnel Management — S.K. Chatterji, Surjee Pub., Delhi, & Ind. Rels.
5. Personnel Management — K.K. Ahuja, Kalyanai Pub. New Delhi.

UNIT – 8
Performance Appraisal

Objectives :-

Proper study of this unit will enable you to: -

- Understand the concept of the term and its utility in Personnel Management.
- Analyses the relative position of various methods of performance appraisal.
- Suggest system for implementation of performance appraisal in your organization.

Structure :

8.1. INTRODUCTION

Once the employee has been selected, trained and motivated, he is then appraised for his performance. Performance appraisal is the step where management find out how effective it has been at hiring and placing employees. If any problems are identified, steps are taken to communicate with the employees and to remedy them.

Employee appraisal techniques are said to have been used for the first time during the I world war, when at the instance of water Dill Scott, the us Army adopted the "Man-to-man" rating system for evaluating military personnel. During the 1920-30 periods, rational wage structures for hourly paid workers were adopted in industrial units. Under this system the policy of giving grade wage increments on the basis of merit rating programmes. Which continued to be so called up to mid-fifties. By then, most of these plans were of the rating-scale type, where emphasis was given to factors, degrees and points.

In the early fifties, however, attention began to be devoted to the performance appraisal or technical, professional and managerial personnel. Since then, as a result of experiments and a great deal of study, the philosophy of performance appraisal has undergone tremendous changes. Consequently, a change has also taken place in, the terminology used. Now, the older-phrase merit-rating is largely restricted to rating of hourly paid employees and is used frequently in developing criteria for salary adjustments, promotions, transfers etc. The later phrase-personnel appraisal, places emphasis on the development of the individual as and widely used to evaluate technical, professional and managerial personnel.

8.2 MEANING AND DEFINITIONS

Scott, W.D., Clothier, R.C. and Spriegel, W.R. define performance appraisal as "a process for evaluating an employee's performance of a job in terms of its requirements"

Heyel, C. Observes, "It is the process of evaluating the performance and qualifications of the employees in terms of the requirements of the job for which he is employed, for the purposes of administration. Including placement, selection for promotion, providing financial rewards and other actions which require differential treatment among the members of a group as distinguished from actions affecting all members equally".

According to dare Yoder, the term performance appraisal refers to all formal procedures used in working organizations to evaluate personalities and contributions and Potential of group members. In simple words, performance appraisal is the systematic evaluation of the individual with respect to his performance on the job and his potential for development. Performance appraisal is concerned with determining the differences among the employees working in the organization. The evaluation is normally done by the individual's immediate superior. Thus everyone in the organization who rates others is also rated by his superiors.

Performance .appraisal employs ratings techniques for comparing individual employees in this work group, in terms of personal qualities for deficiencies and the requirements of their respective jobs. It should be differentiated from job evaluation which is concerned with the determination of worth of different jobs. Performance appraisal refers to the task of rating or assessing the individual performance and abilities at work.

8.3 OBJECTIVES

Levinson has given three functions of performance appraisal:

(i) It seeks to provide an adequate feedback to each individual for his or her performance,

(ii) It purports to serve as a basis for improving or changing behaviour toward some more effective working habits.

(iii) It aims at providing data to managers with which they may judge future job assignments and compensation. He stresses the fact that the existing systems of performance appraisal do not serve any these functions effectively but focus on "outcome of behaviour".

According to Cummings, "the overall objective of performance appraisal is to improve the efficiency of an enterprise by attempting to mobilise the best possible efforts from individuals employed in it. Such appraisals achieve our objectives including the salary reviews, the development and training of individuals, planning job rotation and assistance promotions".

On the basis of merit rating or appraisal procedures of various companies in India, the main objectives of employee performance appraisal are –

(i) To enable an organization to maintain an inventory of the number and quality of all employees and to identify and meet their training needs and aspirations;

(ii) To determine increments and provide a reliable index for promotions and transfers to positions of greater responsibility;

(iii) To maintain individual and group development by informing the employee of his performance standard;

(iv) To suggest ways of improving the employee's performance when he is not found to be up to the mark within the review period.

It will thus, be seen that performance appraisal is an important tool of personnel management, and providing valuable guidelines in streamlining employee's performance appraisal as indicated below:

a) It unifies appraisal procedure

b) It provides information which is useful in making and enforcing decisions

c) It provides information in the form of record about, rating

d) It serves to stimulate and guide employee development.

e) A periodic and accurate appraisal constrains a superior to be alert and competent in his work.

f) It gives supervisors a more effective tool for rating personnel.

g) It makes for better employer-employee relations.

8.4 THE EVALUATING PROCESS

The process of performance appraisal follows a set pattern viz. a man's performance is periodically appraised by his superiors. Questions are raised - Is his potential the greatest as a manager or as a staff specialist? When can he make his great contribution? Next, sometimes in consultations with man himself, tentative decisions are made on what might be done to advance his development.

Usually, the resulting plan is then reviewed at a higher level of management, where it may be challenged, changed or added to. But out of the discussion and debate emerges development plan tailored to the individual's unique needs. Broadly, speaking, the process of evaluation begins with the establishment of ‘performance standards’. At the time of designing a job and formulating a job description, performance standard should be clear and not vague and objective enough to be understood and measured. The standards should be discussed with the supervisors to find out which different factors, are to be incorporated, weights and points to be given to each factor and these then should be indicated on the Appraisal Form, and later on used for appraising the performance of the employees.

The next step to follow is to communicate these standards to the employees, for the employees left to themselves, would find it difficult to guess what- is expected of them. To make communication effective, feedback' is necessary from the subordinate to the manager. Satisfactory feedback ensures that information communicated by the manager has been received and understood in the way it was needed.

The third step is the 'measurement of performance' to determine what actual performance is, it is necessary to acquire information about it. Four sources of information are frequently used viz. personal observation, statistical reports, oral reports and written reports.

The fourth step is the comparison of actual performance with standards. The employee is apprised and judged of his potential for growth and advancement. Attempts are made, to not deviations between 'standard performance' and 'actual performance'.

At the next stage, the results of appraisal are discussed periodically with the employees where good points, weak points and difficulties are indicated and discussed so that the performance is improved. The final step is the initiation of corrective action when necessary; immediate corrective action can be of two types. One is immediate and deals predominantly with symptoms. The other is basic and delves into causes. Coaching and counselling may be done or special assignments and projects may be set.

Several methods and techniques of appraisal are available for measuring the performance of an employee. There is little agreement on the best methods to evaluate managerial, professional or salaries performance. Different authors have suggested different approaches. The widely used categorization of various methods used is that given by Strauss and Sayles. They have classified performance appraisal methods into two categories.

(a) Traditional appraisal methods, and
(b) Newer modern methods.

8.5 TRADITIONAL APPRAISAL METHODS

Under this category the following methods are usually included:-

(i) Straight Ranking Method.
(ii) Person-to-person Comparison Method.
(iii) Grading
(iv) Graphic Scales
(v) Check Lists
(vi) Forced choice Description Method
(vii) Critical Incident Method
(viii) Group Appraisal Method

Straight Ranking Method: It is the oldest and simplest method of performance appraisal by which the man and his performance is considered as an entity by the ratter. No attempt is made to fractionalize the rate or his performance the "whole man1" is compared with the "whole man", that is, the ranking of a man in a work group is done against that of another. The relative position of each man is tested in terms of his numerical rank. It may also be done by ranking a person on his job performance against that of another member of a competitive group by placing him as number one or two or three in total group.

This is the simplest method of separating the most efficient from the least efficient, and relatively easy to develop and use. But the greatest limitation of this method is that in practice it is very difficult to compare a single individual with human beings having varying behaviour traits. Secondly, the method only tells us how a man stands in relation to the others and does not indicate the individual performance. Thirdly, the task of raking individual is difficult when a large number of persons are rated. Finally, the ranking system does not eliminated snap judgements.

Person to Person Comparison Method:

This question was used by the US Army during the First World War. By this method certain factors are selected for the purpose of analysis (such as leadership, dependability and initiative) and a scale is designed for each factor .In this method instead of comparing a "whole man" to-a "whole man" personnel are compared to the 'Key man' in respect of one factor at a time. This method is used in job evaluation and is known as the factor comparison method. In performance appraisal, it is not of much use because the designing of scale is a complicated task.

Grading Method: In this system the rater considers certain features and marks them accordingly to a scale. Certain categories of workers are first identified and carefully classified. The selected features may be as analytical ability, cooperativeness, dependability, self-expression, job knowledge judgement, leadership and organising ability etc. They may be: A-D-four; E-poor, and –B (or B-) very poor or hopeless. The actual performance of an employee is then compared with these grade definitions, and he is allotted the grade which best describes his performance.

Graphic scale Method: This is the most commonly used method of performance appraisal. Under this, a printed form, one for each person to be rated is used. The factors judged are employee characteristics and employee contribution. In employee characteristics are included such qualities as initiative, leadership, cooperativeness, dependability, enthusiasm, loyalty, creative ability, decisiveness, coordination etc. In the employee contribution are included quantity and quality of work, the responsibility assumed, specific goals achieved, regularity of attendance, leadership offered versatility etc.

These traits are then evaluated on a continuous scale, wherein the greater places a mark somewhere along a continuum. Sometimes a discontinuous or multiple type of scale is used, wherein one factor is used along a discontinuous scale, consisting of appropriate boxes or square which are to be ticked off. The scale may be represented or broken down into 3, 7, 10 or more point and point often, the number of factors used varies the 9 lo 12,in some methods, they are as many as 30.

This method is easy to understand and easy to use and permits a statistical tabulation of scores. A ready comparison of scores among the employees is possible. These scores indicate the worth of every individual. It is the most common evaluation tool in use to-day. However, this method suffers from a serious disadvantage, for its arbitrary, and rating is generally subjective. Another severe limitation is that it assumes that each characteristic is equally important for all jobs.

Check list Method: - under this method the rate does not evaluate employee performance, he supplies reports about it and the final rating is done by the personnel department. A series of questions are presented concerning an employee to his behaviour. The ratter, then, checks to indicate if tire answer to a question about an employee is positive or negative. The value of each question may be weighed equally or certain questions may be weighed more than others

This method suffers from bias on the part of the ratter because he can distinguish positive and negative and negative questions. Secondly, a separate check-list must be developed to, different classes of jobs. This process can be expensive and time consuming. Finally, it is difficult to assemble, analyse and weigh a number of statements about characteristics and contributions.

Forced choice Description Method: This method was evolved after a great deal of research conducted for the military services during world war II. It attempts to correct a rate's tendency to give consistently high or low ratings to all employees. The use of this method call for objective reporting and minimum subjective judgement. Under this method, the rating elements are several sets of pair phrases or adjectives relating to job proficiency or personal qualifications. The rate is asked to indicate which of the phrases is most and lest descriptive of the employee.

The method has certain limitations such as while choosing two statements from each series the ratter is unable to introduce personal bias or halo effect. These tests are expensive to develop and most of the ratters become irritated with the tests being held less trust worthy.

Critical Incident Method: - This method was developed following research. Conducted by the armed forces in the US during World War II. One essence of this system is that it attempts to measure workers performance in terms of certain 'events' or 'episodes' that occur in the performance of the rate's job. These events are known as critical incidents. The basis of this method is the principle that "there are certain significant acts in each employee's behaviour and performance which make all the difference between success and failure on the job".

The supervisor keeps a written record of the events that can easily be recalled and used in the course of periodical or formal appraisal. Critical incidents are discovered after a thorough study of the personnel working on the job. The collected incidents are than ranked in order of frequency and importance.

This method provides an objective basis for evaluating an individual's performance. However, this method has significant limitations. These include, (i) Negative incidents are generally more noticeable than positive ones. (ii) The recording of incidents is a chore to the supervisors and may be put off and easily forgotten. (iii) Managers may unload a series to complaints, the feed; back may be too much at one time and appears as a punishment.

Group Appraisal Method: In this method, employees are rated by an appraisal group, consisting of their supervisor and three or four other supervisors who have some knowledge of their performance. The supervisor glides the group regarding the nature of his subordinate's duties. The group through discussions and consultations with each other rate the performance of the job-holder and make suggestions for improvements.

The advantage of this method is that that it is thorough, very simple and is devoid of any bias, for it involves multiple judges. But it is very time-consuming.

General De-merits of Traditional Methods:-

Traditional Methods of performance evaluation have some general weaknesses as –

(i) Any managers lack skills and posses vague notions, hence mostly fail to make appropriate appraisals.

(ii) Some managers discourage good performance by over-emphasising short-comings, others have little effect on poor workers, and consequently the real message is lost.

(iii) Ratters may become biased or exposed to moodiness.

8.6 MODERN METHODS OF APPRAISAL

Most traditional methods emphasise either on the tack or the worker's personality, while making an appraisal. In order to bring about a balance between them, modern methods have come to be developed. Out of them, the important ones are:-

(i) Appraisal by Results or MBO (manager by objectives).
(ii) Assessment Centre Method.
(iii) Human Asset Accounting Method
(iv) Behaviourally Anchored Rating Scale.

(i) **MBO**: This method has been evolved by Peter Drunker. It can be described as a process .whereby the supervisors and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected of him and use these measures as guides for operating the unit and assessing the contributions of each of its members.

MBO process if fairly, simple and it consists of five basic steps as follows:-

a) Set organizational goals i.e. establishment of an organization - wide strategy and goals.
b) Joint goal setting i.e. establishment of short-term performance targets between the management and the subordinate in a conference between them.

c) Set check posts i.e. establishment of major check-posts to measure progress.

d) Performance reviews i.e. frequent performance review meetings between the manager and the subordinate.

e) Feed back.

In sum, the three foundations of MBO are - goal setting, feedback and participation - ail these enhance performance.

A number of pitfalls have been indicated by the researchers in the way of effective working of MBO programmes. The reasons for failure of the MBO process are - hasty implementation, unknowledgeable users, lack of top management follow through, and support, over emphasis on structure, treatment as another gimmick, failure-to carefully monitor and encourage the process during based initial years of .implementation. Yet MBO can be effective technique for performance evaluation and for motivation subordinates, by developing communication between executives at all levels.

(ii) **Assessment Centre Method:** The Assessment Centre concept was initially applied to military situations by Simonies in the German Army in the 1930s and British Army's selection Board in the 1960s. The purpose of this method is to test candidates in a social situation, using a number of assessors and a variety of procedures.
Under this method, many evaluators join together to judge employee performance in several situations with the use of a variety of criteria. The Assessment centres generally measure interpersonal skills and other aspects as organising and planning, interpersonal competence, quality of thinking, resistance to stress, orientation to work, dependence on others, other community communication and creativity.

The Assessment Centre programme commonly use following procedure - first, a leadership group is established, then a task force is used with an appointed leader, who decide on a course of action. Simulation games and in basket exercises are used to test organizational and planning abilities personal interviews and projective tests are used to assess work motivation, career orientation and dependence on others. Paper and pencil tests measure intellectual ability.

The Assessment Centre approach suffers from many real hazards. One of the most obvious is the exam-taking. Another drawn back is the potential bad effects on those not selected to participate in the exercise. Therefore, to make Assessment centre Programme successful it is necessary that heavy emphasis must be placed on clear statement of goals, the obtaining of top management commitment, job analysis, assessor training and programme audit and evaluation.

(iii) Human Asset Accounting Method: This method refers to activity devoted to attacking money estimates to the value of a firm's internal human organization and its external customer goodwill. If able and well trained personnel leave a firm, the human organization get devalued, if they join it, its human assets are increased. Conflicts and distrusts devalue human assets and team work and high moral add to the value.

Appraisal of human organization of any firm can be done through periodic measurements of variables viz. “Key Casual” and “intervening enterprise”. The key casual include the structure of an organization’s management policies, decisions, strategies, leadership etc. One intervening variables reflect the internal health of an organization manifested as loyalties, attitudes, motivations, effective interaction, communication etc. These two variables measurements must be made over several years to provide the needed data for the computation of human asset accounting. This method is not yet very popular.

(iv) Behaviourally Anchored Rating Scales (BARS):-

It is a new appraisal technique developed very recently. Its propagators claim that it provides better and more equitable appraisals technique which usually has the following steps:-

a) Generation of critical incidents.

b) Development of Performance Dimensions.

c) Reallocation of Incidents.

d) Scaling of incidents.

e) Development of the final instrument.

Though BARS technique is more time-consuming and expensive than other appraisal methods, but even then it has got some advantages over others viz.:-

a) It provides a more accurate gauge for appraisal.

b) Adopts clear standards.

c) There is better feedback arrangement.

d) There are independent dimensions.

e) More Ratter - independence is available.

8.7 SUMMARY

Performance appraisal is the step where management find out how effective it has been at employing and placing employees. Appraisal techniques are said to have been used for the first time during the First World War by US Army. Over the time appraisal techniques have come to be highly modified and new dimensions added to it by many scholars and specialists on human relations.

The term performance appraisal refers to all formal procedures used in industrial and other organizations to evaluate personalities and contributions and potential of group members. Performance appraisals employs rating techniques for comparing individual employees in his group and it should be differentiated from job evaluation which is concerned with the determination of worth of different jobs.

Performance appraisals achieve our objectives including the salary reviews; the development and training of individuals; planning job rotation and assistance promotions. The process of performance appraisal follows a set pattern viz. periodical appraisal of individual employees by the supervisors the resulting plan is then discussed and reviewed at higher level of management. Performance standards are fixed and accordingly appraisals are done with due communication to the employees as well.

Several methods and techniques of performance appraisal are available for measurement. There is little agreement on the best methods to make evaluations. Different authors and researchers have suggested different approaches. The widely used categorisation of the various is as (a) Traditional Methods (earlier ones which lost utility over the time) – straight ranking, Person-to-person, Grading,

8.8 Self Assessment Test:

1. **Define Performance Appraisal.**
2. **What are the Objectives of Performance Appraisal?**
3. **Explain the Traditional Appraisal methods.**

8.9 FURTHER READINGES

6. Personnel Management — C.B. Mamoria, Himalaya Pub. Bombay
7. Personnel Management — E.B. Filioppo – (Int. ed.) McGraw Hill Pub. Bombay.
8. Personnel Management — P.C. Tripathi, S. Chand & Co., Delhi
9. Personnel Management — S.K. Chatterji, Surjee Pub., Delhi, & Ind. Rels.
10. Personnel Management — K.K. Ahuja, Kalyanai Pub. New Delhi.

UNIT 9
Human Factor in Management

Objectives :-

After going through this unit you should be able to:

- Appreciate the importance of human factor in management,
- Know about the meaning of human relations and the contributions made by several writers and researches in this field.
- Understand the basic philosophy underlying human relations.
- Know how to improve human relations.

Structure :

9.1 INTRODUCTION

Four important components of any organization are task, technology, structures and people. Early management thinkers emphasised the importance of the first three components only and overlooked the importance of the last component in increasing production. F.W. Taylor gave suggestions to achieve more production by rationalising it but later writers gave suggestions to achieve more production by humanising it. It was realised that an organization is not merely a techno-economic system. It is a social system also in which man is the most important component and human relations are the most effective method to achieve production.

1.2 IMPORTANCE OF HUMAN RELATIONS

The Iimportance of human factor in any type of cooperative endeavour cannot be over-emphasis. It is a matter of common knowledge that every business organization depends for its effective functioning not so much on its material or financial resources as on its pool of able and willing human resources. The over-whelming importance of this factor is due to its unique characteristics. First, this is the only resource which is able to produce an output greater than its input. Man alone can produce through motivated creativity an output greater than the sum of his inputs. No other resource can do this. Second, this resource is animate, active and living. It is man alone who with his ability to feel, think, conceive and grow shows satisfaction or dissatisfaction, resentment or pleasure, resistance or acceptance for all types of managerial actions. All other resources which inanimate, inert and passive do not act in this way. All emotional problems emanate from human factor only. Third, human resource is most complex and unpredictable in its behaviour. There is no fixed or preordained formula to guide a manager how to motivate his workers. A manager can buy his workers' time, he can buy his physical presence at a given place, he can buy a measured number of skilled muscular motions per hour or day, but he cannot buy workers enthusiasm, he cannot buy his initiative, he cannot buy his loyalty, he cannot buy his devotion. Fourth, each individual has his own distinct background. This makes each individual unique in his psychological framework. No two individuals have exactly similar psychological frameworks. Hence, they cannot be interchanged much less standardised. This implies that all individuals in an organization cannot be treated, alike. In employing and supervising people and in endeavouring to reach their motivation a manager must follow tailor-made approach based on his understanding of the actions, attitudes, needs and urges of the worker concerned.

The is a very formidable and challenging task. Finally, it is this resource only which appreciates in value with the passage of time. As time passes people become experienced and skilled. It is not so with other resources which generally depreciate as time goes on.

Two other factors which have increased the importance of human resource are the labour enactments and the rise of labour organizations. Various laws, such as the Factories Act, Employees' State Insurance Act, and the Workmen's Compensation Act have been pasted dictate certain minimum standards of treatment. Fear of opposition by labour unions is another somewhat negative reason for treating the human resource with greater care and dignity.

9.3 UNDERSTANDING OF HUMAN RELATIONS

There is no standard definition of the term ‘human relations’. However, it primarily represent a mode of management which aims at integrating two seemingly opposite goals laboured management in an organization, viz., the personal goals of its members and the productivity goals of the total organization. Accordingly human relations are motivating people in organizations to develop teamwork which effectively fulfils their individual needs and achieves organizational objectives.

To practise human relations is not easy. It requires on the part of a manager an intimate knowledge of such behavioural disciplines as psychology, sociology and anthropology. Psychology is the study of human mind ii an individual Sociology is the study of people in groups. Anthropology is the study of primitive man and his activities. By studying past civilisations an anthropologist draws strong cultural bases for different kinds of human behaviour. Human relations look at man from the combined approach of all these disciplines.

Some important behaviourists whose thoughts have greatly helped in understanding and promoting human relations are: Douglas McGregor, Abraham Maslow, Chris Argyris and Rensis Likert. The Following is a gist of their ideas:-

Douglas McGregor in his book 'The Human side of Enterprise' asserts that since a manager practices what he believes, human relation depend upon the type of assumptions which he holds about the nature of his workers. In most cases these assumptions are wrong. These assumptions are as under:-

1. The average worker has an inherent dislike for work and will avoid if he can.
2. Because of this dislike for work, most people must be concerned, controlled, directed, and threatened with punishment to get them to put forth adequate effort toward the achievement of organization objectives.
3. The average were prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.

McGregor gives the name of theory X to these assumptions. He himself does not agree with these assumptions. He is of the view that the following are more realistic assumptions about human nature. He calls these assumptions theory Y.

1. The expenditure of physical and mental effort in work is as natural as play or rest.
2. Worker will exercise self-direction and self-control in the service of objectives to which he is committed.
3. Commitment to objectives is a function of the rewards associated with achievement.
4. The average worker learns, under proper conditions, not only to accept but to seek responsibility.
5. The capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organizational problems is widely, not narrowly distributed in the population.
6. Under conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.

We have seen above that motivation is at the centre of human relations. A. H Maslow tells us that in order to motivate a worker the manager should look to his unsatisfied needs and not lo needs which have been gratified. For this purpose he classifies all human needs into 5 categories:

1. Basic physiological needs
2. Safety needs
3. Social needs
4. Egoistic needs, and
5. Self-actualization needs.

According to Maslow there is a strict priority or order according to which these needs arise. First need comes first and the second crones only when the list has been reasonably satisfied. This hierarchy helps to emphasise that human relations can be effectively practised only after the basic physiological and security needs or workers have been reasonably satisfied. An employer who appeals for employee cooperation and loyalty and solicits their participation in management without providing then fair and competitive wages is only wasting his efforts.

According to Chris Argyris to promote human relations the work environment of a typical organization should be able to meet the needs of its workers as mature individuals. These needs are as follows:-

1. Minimum control supervision
2. Opportunity for maximum expression of one's abilities
3. Detailed knowledge about oneself and about the job so that one is able to plan one's future and make it secure.
4. Aspiration to occupy an equal and/or superior position relative to one's pears.
5. Enlargement of those areas of one's life in which one's own decisions determine the outcome of one's efforts.

Rensis Likert in his book 'New Patterns of Management' shows that an organization functions best when its members functions not an individual's but as groups under participative management which he calls system-4 management. Needless to say, traditional managers do no value participation and team work.

The philosophy underlying human relations has changed several times. In the early days of industrial revolution, human relations used to be based on the authority of the boss. It was believed that the boss had the absolute power to hire fire and perspire the worker. Such an approach considered workers as commodity or an article of commerce devoid of human considerations. Being in command he had the power to command demand work from his employees. The philosophy of human relations thus rested on negative motivation. The psychological result of this philosophy was that the employee unprotestingly complied with the orders without enthusiasm.

Employers soon realised that human relations based on despotic authority and fear produced dysfunctional consequences. The employees felt insecure and frustrated. Production suffered. The philosophy underlying human relations needed a change. As a result, material rewards were emphasised. Several welfare programmes started which provided security to the workers. Many off-the-job fringe benefits were given. But this too did not prove flawless. Many studies showed that though economic rewards made employees happy they did not necessarily make them productive also. The philosophy underlying human relations has therefore again changed. It is now believed that people are better motivated by supportive leadership than by power or economic reward. Through supportive leadership, management can provide to each worker a climate to grow and accomplish in the interests of the organization the things of which he is capable. The leader should assume that workers are not by nature passive and resistant to organizational needs, but that they are made so by an inadequate supportive climate at work. He must show genuine concern for workers' welfare. This will encourage workers to take responsibility and improve themselves. Management's emphasis should be on building and manufacturing worker's sense of personal worth and importance.

It should be remembered, however, that supportive approach works well in affluent countries where workers' lower level needs have been reasonably satisfied. In countries like India where workers' lower level needs are still unsatisfied, this may not be the best approach.

9.5 IMPROVEMENT OF HUMAN RELATIONS

For improving its human relations with its workers the management must follow the following suggestions:-

1) **Participative leadership style should be developed.** It satisfies the ego needs of employees. It also improves the quality of a decision (since two heads are better than one) as well as increases its acceptability. Participative leadership, however, does not mean avoiding being a boss. It does not means abdication of all authority by the manager. It only means being democratic and humane. The manager must be tough enough to win a fight but not tough enough to kick a man when he is down. Good human relations develop out of strength, not out of weakness.

2) **There should be effective upward communication.** The superior genuinely follow an "open-door" policy. The true test of an open-door policy is whether the superior behind the dour has an open mind and whether his employees are psychologically free to enter.

3) **There should be a grievance system in the organization.** To serve as a means to resolve as a mean to resolve differences and to redress wrongs both actual and imaginary.

4) **Subordinate should be encouraged to write letters to the superior.** Some space can he reserved in the employees' magazine called 'house organ', usually published by many organizations, for clearing rumours or for printing letters received from the workers.

5) **The superior should speak less and listen more.** The nature has given his two ears and only one tongue. Nine commandments for good listening are: stop talking, put the talker at ease, show him that you want to listen (do not read your mail when your subordinate talks), remove distractions (do not doodle, tap or shuffle papers), empathise with him, be patient (do not start for the door and walk away), hold your temper, go easy on argument and criticism, and ask questions.

6) **Personnel policies should be in writing and should be implemented impartially.** Decisions about promotions, transfers, etc. should not be made on personal or parochial consideration. Management should try to gain acceptance for

its proposed job evaluation and appraisal systems from its employees and union leaders.

7) There should be a counselling programme in the organization to deal with the emotional problems of workers. All employee service programmes should satisfy the real needs of the workers. Management should not assume a benevolent posture because no sell-respecting worker wants to live under the perpetual gratitude of his employer.

8) Management should recognise the social needs of its workers and should willingly accept the development of all informal groups. The logical course is to harmonise these groups and the formal organization. A number of steps can lead towards this result. These are as under :

(a) Where informal norms are acceptable they should be institutionalised.

(b) If informal lines of communication exist they should be used by management.

(c) When informal leaders develop they should be appointed to positions to formal authority.

9) In designing a formal organization structure the 'team' concept should be followed. The three important features of this concept are as under :

(a) The work should be divided into meaningful blocks (as opposed to narrow specialised tasks) to be assigned to a task team.

(b) As far as possible the task team must be self-contained to include people with all skills necessary to complete the assigned task.

(c) Each task team must be supplied with full facts about its performance to supervisor as feedback for corrective action.

10) The authority of the subordinates should be co-extensive with their responsibility. The subordinates who are assigned duties must also be given necessary authority to enable them to carry-out their duties. To make delegation effective, no subordinate should be held accountable to more than one superior, i: g., the subordinates should receive order form only one boss. If this is not so, there will confusion and difficulty in fixing accountability.

11) The focus of training and development activates must be upon the work rather than upon the individual. Wore can be seen, identified, analysed and measured but an individual's traits cannot be defined or measured. This does not mean that personality should be ignored. Knowledge about an individual's personality traits should be used to help determine the direction his training will take.

12) The employees must be informed clearly about what constitutes good behaviour and the rewards that may emanate from it. All instructions should be clear and understandable and all violations – big and small – should be duly punished according to well-defined procedure.

9.6 SUMMARY

All of the factors of production man are by far the most important. In fact, the success of every business enterprise is dependent on its human element. Materials and machines are inert factors but man is imbued with emotion and feelings. Hence a manager must be more than good at handling men. He must be deft in human relations so that people identify their individual goals with the organizational goals. Human relations are founded on supportive leadership. The manager must show genuine concern for the welfare of his people.

9.7 SELF-ASSESSMENT TEST

Answer the following questions:

1. Why is human resource considered to be the most important resource?

2. What are human relations? How has its underlying philosophy changed many times?
3. Describe in brief the important contributions made by the behaviourists toward understanding human relations.
4. What contribution have the Hawthorne experiments made in the field of human relations?
5. What suggestions would you make to improve human relation is an organizations?

9.8 Key Words

Behaviourists: These are persons who have specialised in different behavioural sciences. The three important behavioural sciences are: anthropology, psychology and sociology.

Supportive leadership: This means a leadership style, in which the leader shows concern for the welfare of his workers, upholds their dignity and self-respect and tries to create conditions in the organization in which high order needs of workers are likely to be satisfied.

9.9 FURTHER READINGS

Keith Davis : Human Relations at Work, 6th Ed. Tata McGraw Hill, ND.
W.G. Scott : Human Relations in Management, Irwin, Homewood, Illinois.
Dongles McGregor : The Human side of Enterprise, McGraw Hill, N.Y.

UNIT- 10
Management of Discipline

Objectives :-

After studying this unit you should be able to:-

- Understand the meaning and types of discipline ;
- Identify the cause of indiscipline ;
- Know the various acts of indiscipline and the procedure for taking a disciplinary action; and
- Appreciate the ingredients of a sound disciplinary policy.

Structure :

10.1 INTRODUCTION

Discipline is an inventible correlate of organization. To be organized means- to be disciplined and vice-versa. The behavior of an employee is at the root of all discipline in an organization. Every manager wants this behavior to be in conformity with the required system which has prescribed in order to achieve the organizational goals. But not infrequently we find employees deviating from this required system. The reasons that they have their own unique individuals system of behavior. Which they cannot easily give up when they enter as members of an organization. It is at this point that many problems of employers-employees relation of the individual adjustment arise.

10.2 MEANING AND TYPES OF DISCIPLINE

Discipline means orderliness the opposite of unrest good discipline refers to orderly behavior in accordance with the set rules and procedure of the organization. Poor discipline refers to the failure individuals to observe the prescribed rules framed by the organization. Discipline may be of two types: positive and negative. Positive discipline or 'self-discipline' is the best discipline. This refers to the organizational atmosphere in which subordinate willingly abide by rules. This techniques followed by the management to achieve this types discipline include positive motivational activities such as praise, participation and incentive pay. Negative or positive discipline is one which management has to exert pressure or hold out threat by imposing penalties on rules breakers.

10.3 CAUSE OF INDISCIPLINE

When people do not respect the required system of behavior in an organization, it is said that they are including in indiscipline. It is very difficult to prepare an exhaustive list of the reason which leads them to indiscipline. In fact a number of social, economic, cultural and political reasons contribute to indiscipline in an organization. Important among these causes are the following:-

1. Ineffective leadership which cannot control, coordinate and motivate workers.
2. Low wages and poor working conditions.

3. Lack of promotional opportunities due to which people feel stagnated.
4. Absence of any code of conduct to regulate behavior on both sides.
5. Lack of timely redressal of workers grievances.
6. Unfair management practices.
7. Defective communication system
8. Lack of workers education
9. Uninteresting work (Work-boredom)
10. Drunkenness and family problems
11. Outside political influences
12. Exercise work load

10.4 ACTS OF INDISCIPLINE (MISCONDUCT)

Every act of indiscipline is called misconduct. It is very difficult to prepare an exhaustive list of all such acts because their forma are legion. However those acts which are most commonly mentioned as misconduct in the Standing Orders of an understanding to which the Industrial Employment (Standing Orders) Act of 1946 applies are as follows:

1. Disobedience or will full insubordination.
2. Theft, fraud of dishonesty in connection with employer's business or property.
3. Willful damage to or loss of employer's goods or property.
4. Talking or giving any bribes or illegal gratification.
5. Habitual absence without leave or unauthorized absence for more than a certain number of days.
6. Habitual late attendance
7. Habitual breach of any law applicable to the establishment.
8. Riotous or disorderly behavior during working hours at the establishment or any act subversive of discipline.
9. Habitual negligence or neglect of work or frequent repetition of any act or omission for which fine may be imposed.
10. Striking work or inciting others to strike in contravention of any law.

11. Adopting go slow tactics.
12. Collecting or canvassing for the collection of funds by any trade union or canvassing for its membership during working hours within the company premises.
13. Failure to observe safety instruction, unauthorized removal. Interference of damage to machinery guards, fencing and other safety devices installed in the factory.
14. Distributing or exhibiting inside the factory any newspapers, hand bills, pamphlets or posters without the previous sanction of the manager.
15. Refusal to work on another machine of the same type.
16. Holding general meeting inside the factory premises without the previous sanction of the manger.
17. Disclosing to any unauthorized person any information in regard to the working or 'process' of the factory which comes into the possession of the workman during the course of work.
18. Sleeping or dosing while on duty.
19. Refusal to accept a charge, sheet order or other communication.
20. Interfering or tampering with the records of the company.
21. Conviction by any court of law for any criminal offence involving moral turpitude.
22. Smoking within the factory except in places where smoking is permitted.

Misconduct also includes:

- Improper behavior.
- Violation of definite procedure/rules.
- Gross negligence.
- Perverse conduct or absence of good conduct.
- Violation of the accepted standards of morality, decency, decorum and propriety (Calcutta HC in AC of IT Vs. K.S. Gupta)
- Conduct unbecoming is left to the discretion of the Government, past misconduct is punishable (Dr. Bool chand Vs. Chancellor, Kurukshetra University)
- Contravention of the ideal master-servant relationship (ARR Deshpande Vs. UOI & another)

Below stated Act or conduct are also misconduct:

1. Act or conduct prejudicial/likely to be prejudicial to the interest/reputation of the master.
2. Act/conduct inconsistent/incompatible with the due/peaceful discharge of duty of the master.
3. Act/conduct of the Government servant makes it unsafe for the employer to retain him in service.
4. Act or conduct so grossly immoral that the public servant cannot be trusted by any reasonable man.
5. The act or conduct is such that the master cannot rely on the faithfulness of his employee.

In so far as the misconducts enumerated in the standing orders are concerned, the earlier view was that the misconducts enumerated therein were not exhaustive. This view appears to have undergone a change as would be evident from the decision of the Supreme Court in Glaxo Ltd Vs Presiding Officer, Meerut (1983 Lab I.C.P. 1909) where in it was observed that misconducts neither defined more enumerated in the standing orders would not expose a woman to penalty and that no action is permissible in respect of such acts of omission or commission. Moreover, such acts of misconduct are punishable only if committed within the premises of the establishment or in the vicinity there of. The employer had hardly any extraterritorial jurisdiction. "If the power to regulate the behavior of the workmen outside the duty hours and ay any place wherever they may be was conferred upon the employer contract of services may be reduced to contract of slavery." In the light of this judgment it is not doubtful whether an employer can take action against employees for misconducts committed outside the work place or beyond working hours.

10.5 KINDS OF PUNISHMENT

Generally all types of punishment which can be inflicted on an employee for his misconduct can be group into two broad categories of minor punishments and punishment, thus

1.Oral reprimand
2.Writte reprimand

Minor Punishment	3.Loss of privileges 4.Fines 5.Punitive suspension
Major Punishment	6.Withholding of increments 7.Demotion 8.Discharge 9.Dismissal

1. Oral reprimand. This is the mildest form of punishment in which the superior makes it clear to his subordinate that he does not approve of the subordinate that he does not approve of the subordinate's behavior. This punishment is generally given for some minor offence such as failure to obey safety rules, smoking in a prohibited area, sleeping on the job or giving sub-standard performance.

Issue of reprimand does not invoice loss of status or wages to the employees and, therefore it amounts to disciplinary action, it is not deemed to be a substantive punishment. However, as people invariably value the social approval of their actions by their superiors and fellow beings a reprimand is generally effective in correcting subordinates. But it should be used sparingly otherwise it will not produce any effect on the subordinate. A subordinate who is continually criticized tries to cover up his mistakes, becomes tense, and loses his sense of security. He does not want to accept responsibility and on account of low morale commits further mistakes.

2. Written reprimand. An oral reprimand may not be sufficient in case of habitual misconduct record so that it may support, if necessary any substantive punishment that may have to be given to the employee in future. A written reprimand may state that certain privileges would withhold or withdrawn if the subordinate continues with his present conduct. In some enterprises the records of an employee may be marked and the employee shown a copy of the notation to serve as a warning.

A warning serves to after the expectations of an individual by making him aware of the exact nature of punishment that waits following further acts of disobedience. It is not fair for a superior to warn a subordinate and later punish him more severely than was expected at the time of warning.

3. Loss of privileges. For such offences as tardiness of leaving work without permission, the employee may be put to loss of various privileges such as good job assignments right to select machine or other equipment and freedom of movement about the workplace or company.

4. Fines. Fine means a deduction from the remuneration of the employee by way of punishment. Power to make penal deductions from the remuneration of the employee is not an implied term of ordinary contract between master and servant. This power can be exercised only of especially reserved by the employer under the contract of employment or a statute. The maximum fine allowed to be deducted from a worker's wages in India is laid down in the payment of wages Act. It is the prize in the rupee of the workers total monthly wage. Sec. 8 of the Act places several statutory restrictions on the exercise of this power.

5. Punitive Suspension. There are two types of suspension: punitive suspension and suspension pending an enquiry. Punitive suspension is inflected on the workman as a punishment for some misconduct whereas suspension pending an enquiry is only an expedient action which a manager may find necessary to take following commission of a grave and serious misconduct. Under punitive suspension an employee is prohibited from performing the duties assigned to him and his wages are withheld for so long as the prohibition subsists. An employer however can inflict this punishment on an employee only if it is specially mentioned in the contact and not otherwise. In establishments covered by the industrial Employment (Standing Orders) Act 1946, Standing Orders prescribe the maximum number of days (generally it is 4 days) for which such punishment may be inflicted. Suspension pending an enquiry is not a punishment. This type of suspension done to prevent the worker from tampering with the enquiry and the records. During this type suspension, the worker is paid a subsistence allowance equal one-half of the gross wages for the first ninety days and three-fourth of the wages beyond ninety days. If however, the responsibility of prolongation of enquiry is that of the worker the allowance is reduced to one fourth of his normal emoluments.

6. Withholding of increments – Withholding of annual increments of an employee in a graded scale is a major punishment and generally speaking, the acts of misconduct for which this punishment may be awarded are the same as those for which the extreme punishment of dismissal may be awarded. The cumulative effect of losing an increment is considerable. It is equal to the amount of increment times twelve months times the number of the years of service still remaining.

7. Demotion. Demotion means reduction of an employee to a lower grade from the one hitherto enjoyed by him. According to some writers since demotion implies condemnation of the employee as being unfit for the position occupied by him it should not be used as a penalty if the employee is properly quailed for the present assignment. Demotion should be used only in a case where an employee does not meet present job requirement or in the event of a cutback in the work force.

8. Discharge: - In common law, if both parties to an agreement have performed what they have agreed to do, the contract is discharged. Thus, in a contract of servicer if both parties have agreed to terminate the contract by giving stipulated amount of notice or by paying money in lieu thereof the contract of service can be terminated in the agreed manner for reasons which do not imply any act of misconduct, for example, an employee may be discharged owing to either redundancy, superannuation of infirmity, etc in accordance with his contract of service, without any fault on his part. However, in the field of industrial jurisprudence the term 'discharge' is used to denote removal of an employee from service by way of punishment. But no stigma is attached to the expression 'discharge'. Hence it is not a disqualification for future employment.

9. Dismissal. Also referred to as industrial capital punishment, dismissal is the ultimate penalty which is rarely resorted to nowadays. Though discharge and dismissal both have the same result, namely the termination of service of the employee, there are some vital differences between the two. These are as follows :

a) While dismissal is always a punishment, discharge may not be a punishment.

b) A dismissal is a more severe punishment than discharge. There is a stigma attached to the expression dismissal which makes dismissal a disqualification for future employment. This is not so in the case of discharge.

c) A dismissal is usually summary that is immediate action is taken to terminate the employment contract of the employee without notice. But in the case of discharge an agreed amount of notice may have to be given. The justification for not giving a warning lies in the punishment of dismissal may be inflicted ate socially repugnant and a management is fluty entitled to protect it against such acts.

The supreme punishment of dismissal is inflicted very rarely. Managers generally try to avoid it. They very often follow several others means of eliminating a person without an outright dismissal These are as follows:-

(a) The flow of work may be altered so that it goes around the particular employee thus he may take hint and submit his resignation.
(b) The job may be abolished and duties scattered about among other employees then after the employee has left the organization, the duties can reassembled and a new employee hired to fill the job.
(c) Resignation may be demanded by holding out threat of discharge.
(d) In higher positions, the employee may be kicked upstairs and prompted out of the way; he may be made a special consultant and never consulted. The cost of his salary may be much less than the loss arising from retention in his present job.
(e) The employee may be transferred to some other department.

Arguments against punitive discipline or punishment: Many people argue that punishment should be avoided as a means of trying to correct behavior. Their objections are as follows:-

(a) Punishment involves monitoring or surveillance of the worker. This is a very wasteful use of high-priced managerial time.

(b) Punishment never really extinguishes undesirable response tendencies, but only temporally suppresses them. These tendencies reappear with full force when the threat of punishment is removed.

(c) Punishment has undesirable side effects. It may cause resentment and hostility towards the manager / industrial organization with motive of trying to "get even" later through sabotage, output restriction or doing things that make the punisher "look bad" or cause him inconvenient or the presence, this in turn makes it more difficult for the boss to play the desired role of coach teacher or counselor.

10.6 PROCEDURE FOR TAKING DISCIPLINARY ACTION (DOMESTIC or DEPARTMENTAL ENQUIRY)

Remember that you as a manager do not enjoy an unbridled right to decide the procedure for taking disciplinary action against your subordinate for misconduct. Your procedure should be based on the following principles of natural justice:-

i. The worker charged should be given an opportunity to present witnesses of his own choice on whom he relies;
ii. The worker should be given the right to cross examine the managements evidence,
iii. The evidence of the management should be taken in worker's presence;
iv. No material should be used against the worker without giving him an opportunity to explain;
v. The enquiry against the worker should be fair and conducted by an impartial person and
vi. The punishment awarded should not be out of proportion to the misconduct committed.

Following should be steps for taking disciplinary action.

1. **Preliminary Investigation: -** The first and primary step should be to hold a preliminary investigation in order to find out whether a prima facie case of misconduct is evident.

2. **Issue of a charge-sheet: -** On the prima facie case of misconduct being established the management should proceed to issue a charge sheet to the worker charge sheet is not a punishment in itself. It is merely notice if a charge that the worker is responsible for some misconduct and that the management wants to know what he has to say about it. It gives the worker an opportunity to explain his conduct. A charge sheet is therefore also called a "show cause notice".

On the question whether the proposed punishment should or should not be mentioned in the charge-sheet, there is divergence of opinion among various High. Courts Madras, Andhra, Calcutta, Punjab and Haryana High Court hold the view that if the proposed mentioned in the charge – sheet then it amounts to prejudging the issues and the proceedings are vitiated. But the Bombay, Rajasthan and Allahabad High Courts seem to hold the opposite view. They observe that the more mention of the proposed punishment in the charge sheet does not vitiate the enquiry. It does not mean that the employer intended to punish the employee irrespective of the result of the enquiry or that he formed any opinion against the employee. It rather makes the employee aware of the seriousness of the charges against him so that he can take proper defense. To be on the safer side however the employer should avoid mentioning proposed punishment in the charge – sheet.

3. **Notice of enquiry: -** The worker reviving the charge sheet may either admit the charge and ask for leniency or may refuse the charge in the latter event a detailed enquiry becomes necessary. This enquiry is called domestic enquiry. This enquiry should be held within a reasonable time of receiving the explanation. Proper and sufficient advance notice should be given indicating the date i.e. and venue of the enquiry and name of the enquiry officer so that the worker may prepare his case. It should also be notified that he should be ready with oral and documentary evidence ion the date of enquiry and bring witnesses to prove his case.

4. Suspension with or without pay pending enquiry is needed :- Where the nature of misconduct is grave and if it is in the interest of discipline and security in the establishment the worker may be suspended with or without pay till disciplinary proceedings are completed. A manger may suspend a worker even before the charge-sheet is issued or an order of suspension may be given along with the charge sheet. In a case where standing orders limit the period of suspension the enquiry must wither be completed within the period or \wages should be paid for the time exceeded.

5. Conduct of Enquiry :- This step should deal with three points ;

≈ Deciding to who should be the enquiry officer;

≈ Deciding as how to proceed.

≈ Deciding about the order of examining witness.

Standing orders may provide as to who should hold the enquiry. Otherwise, an assistant manager or labour welfare officer or company's lawyer or some outsider may be nominated. It should be remembered that for the purpose of enquiry the enquiry officer is a judge. So it is necessary that he must be impartial and qualified to act in that capacity. An enquiry officer is disqualified on any of the following grounds:

a) If he is involved in the incident which led to the charge sheet
b) If he has personal knowledge of the incident
c) If he himself give or collects evidence for the very enquiry conducted by him or helps other in doing so.

If the accused employee requests for another co-worker to represent and assist him in the conduct of his defense, the enquiry officer should allow this. But it is management's discretion to allow or not to allow the accused worker to be defended by a non employee official of the union. If a worker does not turn up for the enquiry notice or reasonable cause or refuses to participate or walks out then the enquiry officer may proceed to hold the enquiry ex parte.

6. Recording of findings by the enquiry officer: At the conclusion of the enquiry proceedings the enquiry officer should decide as to whether the charges made are valid or not along with the reasons for his findings. As far as possible he should refrain from recommending punishment and leave it to the decision of the appropriate authority.

7. Awarding Punishment. This is the task of management. The punishment should be awarded on the basis of findings of the enquiry, past record of the employee and gravity of misconduct.

8. Communication of Punishment: The punishment awarded to the accused should be communicated to him expeditiously. The letter communicating the punishment should contain :-

≈ reference to the letter of charges issued to the employee;

≈ reference to the enquiry:

≈ reference to the findings of the enquire:

≈ Decision whether to punish or not;

≈ Date from which the punishment is to be effective.

Following needs to be clear before domestic inquiry:

Suppression of Workers: Suppression of Workers are not done. 115 trade unionists were murdered for defending workers' rights in **2005,** while more than 1,600 were subjected to violent assaults and some 9,000 arrested, a report states. According to the ICFTU's Annual Survey of Trade Union Rights violations, published. In addition, nearly 10,000 workers were sacked for their trade union involvement, and almost 1,700 detained state the ICFTU's Annual Survey of Trade Union Rights violations, published today.

Dismissal: Dismissal (referred to informally as firing or sacking) is the termination of employment by an employer against the will of the employee. Though such a decision can be made by an employer for a variety of reasons, ranging from an economic downturn to performance-related problems on the part of the employee, being fired has a strong stigma in many cultures. To be dismissed, as opposed to quitting voluntarily (or being laid off), is often perceived as being the employee's fault. Finding new employment may often be difficult after being fired, particularly if there is a history of being fired from previous jobs, if the reason for firing is for some serious infraction, or the employee did not hold the job very long. Job seekers will often not mention jobs that they were fired from on their resumes; accordingly, unexplained gaps in employment are often regarded as a red flag.[1]

Discharge: Discharging an employee can also be referred to as firing an employee. Companies fire employees for a wide range of reasons. Employers may fire specific employees due to a lack of performance after numerous attempts to help the employee improve his productivity, for example. Employees can be fired after continual confrontations with management or co-workers, as a way to prevent subversive influences from creating a hostile work environment. In extreme cases, companies may fire employees on the spot for exhibiting violent or threatening behavior, or for committing a criminal act such as fraud or theft on the job.[2]

10.7 INGREDIENTS OF A SOUND DISCIPLINARY POLICY

Following are the Ingredients of a sound disciplinary policy:-

1. **Knowledge of rules:** The employee must be informed clearly about what constitutes good behavior and the rewards that may emanate from it. All instructions should be clear and understandable. It is commonsense that an employee will obey an instruction more readily if he understands it.
   The supervisor himself must know all the rules. He cannot effectively communicate with his workers if his own knowledge about rules is half-baked. In fact he needs to know more than what he wants hi workers to know. This reserve of knowledge is essential in order to be able to answer several unexpected questions from workers. If this is not so, the supervisor will lose his personal prestige both before his superior and subordinates.

[1] http://en.wikipedia.org/wiki/Dismissal
[2] http://smallbusiness.chron.com/difference-between-discharge

2. **Prompt action:** All violations and misconduct "big and small" should be promptly enquired into For example; a supervisor is most unwise to wait until lunch break before rebuking a worker for arriving late. But he should strike the iron when it is hot. This is because when the penalty is imposed immediately following the violation of a rule the person punished tends to identify the punishment with the act he committed. Accordingly the subordinate attempts to avoid the violation in future. This is called the "law of effect." The greater the delay the more one forgets and the more on feels that punishment is not deserved.

3. **Fair action.** Promptness of disciplinary action at the cost of its fairness is not proper. An action in order to be fair must possess the following characteristics :-

a) All violations – big and small should be duly punished. A violation should not be overlooked or condoned merely because it is small otherwise this will give an impression that announced rules are meaningless.
b) All individuals: - big and small should receive equal punishment for equal indiscipline. It a rule is applied to one individual but not to another the management is bound to be accused of favoritism.
c) Discipline should be uniformly enforced at all times. If management soft pedals on taking a disciplinary action when there is shortage of labour and toughens its policy when labour is plentiful it is acting arbitrarily. Similarly, if the management overlooks a wrong on one occasion and punishes it on another occasion. It is acting inconsistently. Inconsistent behavior of management leads to uncertainty in the minds of subordinates. They simply do not know where they stand.
d) The alleged violation should be fully inquired into. Making mistakes by hastily administering a penalty which on the basis of facts collected later on is found to be uncalled for will mean a permanent destruction of the morale of the punished worker and general loss of face for the supervisor.
e) The employee should always be given an opportunity to explain his action. The common law principle that an offender is innocent until he is proved

guilty beyond doubt should be followed. The burden of providing the violation always lies on the management.

4. **Well defined procedure. : -** The procedure to be followed to reach to a penalty decision should be carefully laid down. It should include the following steps :

a) The supervisor must assure himself that some violation of the rules has taken place.
b) He should state precisely and objectively the nature of the alleged violation.
c) He should then proceed together full facts about the case and maintain proper records. Facts will have to be gathered concerning the nature of the event the participants and the surroundings circumstances. Extenuating circumstances such as ill health family troubles, etc., should be found out. A critical analysis service record, length of service, local practice etc. Fact gathering is often a process of fact sifting. Opinions should not be mistaken for facts. The methods used for gathering the fact must not smack of spying and statements should not be prejudged.
d) After all the facts have been fathered thought should be given to the various types of punishment which can be given in the case in question.
e) The appropriateness of a punishment should be decided in terms of its effectiveness in correcting the employee. This is very important because the purpose of a punishment is to mend an employee and not to punish him to help him and not to harm him.

5. **Constructive handling of disciplinary action.** Disciplinary action should be handled in a constructive manner. It should be carried out by the immediate line supervisor. This is necessary to preserve the supervisor's authority and status. The employee should be told not only the reasons for the action taken against him but also how he can avoid such penalties in future. Disciplinary action should be taken in private. By exposing an employee to public ridicule the supervisor attacks his dignity and social standing. This may produce an opposite effect on employee. He may react violently or may become obstinate to preserve his ego.

It is most unwise for a supervisor to take a general disciplinary action against a group of subordinates. Disciplinary action is a matter for the individual. It is the individual who should be held responsible for any wrong. A management which takes disciplinary action against a group is likely to set off a wave of unrest associated with falling morale and even the possibility of a lightning strike.

After the disciplinary action has been taken the supervisor must assume a normal attitude towards the employee. He should revert to his role of a helping hand as if nothing has happened. This is possible only when the supervisor uses an impersonal approach in administering a penalty. He should not engage in personal ridicule, insult or even criticism. He should avoid getting into an argument. In short he must play the role of a judge enforcing the law with impartiality.

Hot Stove Rule: - This rule so called by Douglas McGregor draws an analogy between touching a hot stove and undergoing discipline. When a person touches a hot stove:

1. **The burn is immediate.**
2. **He had warning.** Particularly if the stove was red hot he knew what would happen if he touched.
3. **The effect is consistent.** Everyone who touches a red hot stove would be burnt.
4. **The effect is impersonal.** A person is burnt not because of who he is but because he touched the hot stove.
5. **The effect is commensurate with the gravity of misconduct**. A person who repeatedly touches the hot stove is burnt more than one who touched it only once. The same should be with discipline. The disciplinary process should begin immediately after the violation is noticed. It must give a clear warning that so much penalty would be imposed for a given offence. The same kind of punishment should be consistently imposed for the same offence. The same kind of punishment should be consistently imposed for same offence. Punishment should be impersonal in application. Punishment should be commensurate with the gravity of the offence. An employee found guilty of an act of minor misconduct like unpunctuality or irregular

attendance should not be awarded the same punishment as may justifiably be awarded to an employee found guilty of an act of major misconduct like that theft of employee's property.

10.8 SUMMARY

In this unit we have examined the various aspects of discipline. We have seen that indiscipline is the result of a variety of causes and may take a variety of forms. The service rules of an organization generally specify various acts of indiscipline and their corresponding punishment. However, an employee should not be punished for any alleged misconduct unless he has been given an opportunity to defend himself. The manager should also see that his organization's disciplinary policy is such which motivates people to impose self-discipline.

10.9 SELF ASSESSMENT TEST

1. Explain the difference between positive and negative discipline.
2. It is said that indiscipline is mostly the result of the difference between an individual's personal system of behavior and the organizations required system of behavior do you agree?
3. Enumerate ten different acts of indiscipline and describe the factors which may account for them.
4. Examine the meaning of natural justice and explain how domestic enquiry ensures the principles of natural justice

10.10 KEY WORDS

Standing Orders: - Service rules and other terms of employment of an undertaking duly certified by the competent Government Authority (who may be a Labour Commissioner of some other officer Appointed by the Government) under the provisions of the industrial Employment (Standing Orders) Act 1946.

Misconduct: - Any act of indiscipline which violates the prescribed rules and regulations of the undertaking and is prejudicial or likely to be prejudicial to the interest of the employer.

Domestic Enquiry: - An opportunity provided to an accused employee to defend himself by presenting his own witnesses and other evidences.

10.11 FURTHER READINGS

Chakravarti, K.P. 1983, Law of Industrial Employment and Management of Discipline, Law agency, Allahabad.

Tripathi, P.C., Personnel Management and Industrial Relations, Sultan Chand & Sons, New Delhi.

UNIT-11
Grievance Redressal

Objectives:

The learning objectives of this unit are -

- to understand the meaning of grievance.
- to identify the various causes of grievance.
- to get familiarized with grievance redressal procedure machinery.

Structure

11.1 INTRODUCTION

Grievance can be defined as manifestation of employee dissatisfaction, real or imaginary. Most of the organizations have some formal procedure for grievance redressal know as Grievance Procedure. The procedure tries to settle grievance, mainly individual grievance, through its formal structure within a specified time internal. This mode of grievance redressal accepts the inevitability of occurrence of grievance and suggests that grievances are bound to surface amongst employees in any organization.

Can this inevitability not be challenged? An incisive probe into the factors leading to grievance will show that in most of the cases the grievance could have been nipped in the bud by eliminating the cause leading to dissatisfaction itself. So far the experts and scholars in Personnel Management have been emphasizing the importance of grievance procedure in an organization. The National commission on Labour (1969) also elaborately dealt with grievance handling procedure in India and had suggested Model Grievance Procedure. In spite of these grievance redressal systems, experiences shows that a lot of grievance remain unsolved and gradually change shape and convert themselves into disputes leading to industrial strife. Proper disposal of grievances, therefore deserve special and adequate consrder6tion in any programme of humanizing industrial relation.

Role of Human Relations in Industries:

Human relations in the workplace are a major part of what makes a business work. Relationships between employees and management are of substantial value in any workplace. Human relations are the process of training employees, addressing their needs, fostering a workplace culture and resolving conflicts between different employees or between employees and management. Understanding some of the ways that human relations can impact the costs, competitiveness and long-term economic sustainability of a business helps to underscore their importance.

Employees must frequently work together on projects, communicate ideas and provide motivation to get things done. Without a stable and inviting workplace culture, difficult challenges can arise both in the logistics of managing employees and in the bottom line. Businesses with engaging workplaces and a well-trained workforce are more likely to retain and attract qualified employees, foster loyalty with customers and more quickly adapt to meet the needs of a changing marketplace.

It improves retention of workers and worker is motivated to productivity. Forecasting of business and product can be assumed.

Intra-group conflict:

Intra-group conflict refers to conflict between two or more members of the same group or team.[3] In recent years, intra-group conflict has received a large amount of

[3] Forsyth, D. R. (2009). *Group dynamics*. New York: Wadsworth.

attention in conflict and group dynamics literature.[4] This increase in interest in studying intra-group conflict may be a natural corollary of the ubiquitous use of work groups and work teams across all levels of organizations, including decision-making task forces, project groups, or production teams.[5] Jehn[6] identified two main types of intra-group conflict: task conflict and relationship (or emotional) conflict (e.g., differences in personal values).

11.2 DEFINITION

"Complaints affecting one or more individual workers in respect of their wage payments, overtime, leave, transfer, promotion, seniority, work assignments working condition, and interpretation of service agreement, dismissal and discharge would constitute grievances where the points of dispute are of general applicability or of considerable magnitude they will fall outside the scope of grievances procedure.

-Report of the National commission on Labour Grievance is "a formal complaint over an allegation by an employee, union or employer that a feature of either a collecting, bargaining contrast, company policy or agreement has been violated.

Grievances mean "any discontent or dissatisfaction, whether expressed or not and whether valid or not, arising thinks, believes or even feels, is unfair, unjust or inequitable". A grievance is defined as "anything that an employee thinks or feels is wrong, generally accompanied by an activity of disturbing feeling."

-Richard P. Calhoon

"Grievance is any dissatisfaction or feeling of injustice in connection with one's employment situation that is brought to the attention of management.

-Dale Beach.

[4] Korsgaard, M. A., Jeong, S. S., Mahony, D. M., & Pitariu, A. H. (2008). A multilevel view of intergroup conflict. *Journal Of Management, 34*, 1222-1252. doi:10.1177/0149206308325124

[5] De Dreu, C. K. W., & Weingart, L. R. (2003). Task versus relationship conflict, team performance, and team member satisfaction: A meta-analysis. *Journal of Applied Psychology, 88*, 741-749. doi:10.1037/0021-9010.88.4.741

[6] Jehn, K. A. (1995). A multimethod examination of the benefits and detriments of intragroup conflict. *Administrative Science Quarterly, 40*, 256-282. doi:10.2307/2393638

Grievance

Forms of grievance

1. Grievances can be real or imaginary. Grievances based on genuine reasons are the real grievances. At times even when the decisions, orders, rules and their implementation is objective and rational, they can create some kind of dissatisfaction amongst employees as they may not be particularly suited to some of them. Some employees may have their own interpretation of various rules and orders. The dissatisfaction in these cages normally leads to the grievances which are termed imaginary. However, it should be remembered that these so called imaginary grievances 'are real from the employee's point of view and remains so till satisfactorily explained otherwise to them. These grievances are equally important as real ones.

2. Grievance may be expressed or unexpressed; the manifestation of expressed grievances is in the form of gossiping, active criticism, high labour turnover ratio, poor efforts, carelessness in the use of tools and materials etc. Unexpressed grievances can be traced in indifference to work, absenteeism, tardiness, daydreaming. Once again personnel manager should be very sensitive to even the weak and implied signals from the employees. Even a casual remark and grumbling are grievances by indication. Casual remarks about writing or ventilations may at time be the clue. The techniques of attitude survey and statistical interpretation of trends of turnover, complaints, transfers, suggestions, etc. are helpful in this connection.

3. Grievances may be rational or irrational. Some of the grievances have a rational bias. They arise out of genuine and valid issues. However, we should know that large part of our behavior is irrational, guided by emotions rather than reason. Emotional grievances borne but of the sentiments such as love, anger, envy and fear are the most difficult to handle.

4. Grievances may be written or verbal. An expressed grievance may be verbal or in writing. Clause 15 of the model standing orders in , schedule of the industrial 'Employment (Standing Orders) Act, 1946 calls for all complaints arising out of

employment including those relating to unfair treatment of wrongful exaction on the part of the employer or the officer specified in this behalf by the employer, to be in writing. How it differs from complaint.

11.3 CAUSES OF GRIEVANCE

We have seen that grievance relate to work related" and “rights” issues only. It is only when the employee feels that he has been denied something which is legitimately due to him from time to time that a grievance can originate. It is in this area that we need to season for the factors leading to dissatisfaction and ultimately to grievance. Any employee dissatisfaction which tries to create new rights facilities for redressal will not fall under the ambit of grievances. The causes of grievances are:

(1) Wage Payment:-

Pay matter are very Important and inflammatory cause for raising employee dissatisfaction. An analysis of factor wise breakup of the origins of grievance for any organization will show that pay matters, contribute around 85 to 90% of total complaint. Various causes such as nonpayment of due wages, overtime. Allowances, acting allowances, disparity in payment rates and amounts leads to this kind or grievance.- It is generally seen that such occurrences take place mainly either 9"' to some mistake/negligence of the time officer or the attendance certifying authority.

(2) Seniority

The Promotion policy and its rules, its implementation and the rules governing seniority are major determinates of grievance. The need here is to make the policy and rules dynamic. Fixation of seniority must be continuously modified and up-dated after systematic research their applicability and use fullness from time to time.

(3) Obsolete rules and regulation:-

It is general experience that in most of the organizations rules and regulations governing employee's services conditions remain static and do not change according to changed climate in the organist ion. A particular clause in a rule which was necessary five years back for some particular purpose may not be necessary at present retaining of this old clause in the rule book will definitely lead to some kind of dissatisfaction amongst employees.

(4) Delays and discrimination relating to promotion and up gradation:-

Promotion and up gradation are other important factors which leads to dissatisfaction amongst employees. The policy rules and regulations pertaining to promotion shall be clear. Up gradation and fixation of seniority must be continuously modified. The openers and general awareness regarding rules must also be ensured. Here the importance of under communication is supreme.

(5) Disciplinary actions/termination etc.

The also raise a good number of grievances. There is no denying the fact that good discipline in sine-quo-non for any organization. Disciplinary actions must be taken against employees indulging themselves in various misconducts.

In this case also the role of communication is very important since the employees must be made aware of the various misconducts and resulting penalties if they indulge in those misconducts. Management's philosophy towards discipline must be clearly spelled out and backed by actions.

(6) Low job satisfaction

Some empirical research findings suggest that low job satisfaction is one of the important factors which lead to employee grievance. An employee having good job satisfaction in any organization has a tendency to raise fewer grievance than another having poor job satisfaction with similar amount of dissatisfaction. Steps should accordingly be taken by the management to enhance job satisfaction.

(7) Poor industrial relations

The state of the industrial relations tends to affect the employees perception regarding various determinants of labour management relation. In a recent All

India research conducted by Dr. B.R. Sharma where the front line supervisors were the respondents, it was found that private Sector Companies have better Labour Management Relation (LMR) than Public Sector Companies. It was also found that all the determinants of LMR particularly welfare amenities score better in case of private sector than in Public Sector. On the other hand the reporting of Mirza S. Saiyadin of IIM, Ahmedabad revealed that actual annual expenditure on voluntary welfare measures were far more in case of public sector than that in Private Section : Better score in case of Private Sector was due to better LMR. The perception was guided by good LMR in Private Sector.

(8) Conditions at work:

Working conditions have a bearing on employee's level of satisfaction. Some of the factors related to working conditions are:

- Poor physical condition of work place such as lack of proper ventilation, insufficient light, unhygienic surrounding.
- Improper job - worker match; Lack of man power planning and job analysis result into improper match of worker with the job.
- Non-availability of proper tools, machine and equipment for doing the job could be another source of grievance.
- Changes in the work procedure or schedules of work often lead to development of grievances. Human beings are resistant to change. Management of change is another crucial facet of management. Unless administered properly, change is difficult to be perceived properly.

11.4 GRIEVANCE HANDLING PROCEDURE

Need for Grievance Procedure

By now you have some understanding of the nature of grievances and the factors responsible for their origin" Grievances based on genuine reasons need to be tackled by eliminating the underlying causes. You want to know why at all the need for a grievance procedure is.

Here is the answer to your question:

In the first place grievance procedure serves as a formal means of expressing their dissatisfaction. The very feeling that a grievance procedure exists gives him a sense of emotional security. It serves as a safety valve. Secondly, in absence of a Formal grievance procedure, the dissatisfaction may explode in the form of industrial disputes. A grievance unless expressed and attended to, affects the mental state of the employee. Management cannot get the full cooperation and productivity out of him. From the point of view of employees as well, the need for grievances procedure is acknowledged. It brings human problem into the open. Management can learn about them and come forth with corrective action. It acts as a check upon the arbitrary and capricious practices of management. While formulating policies, management takes care of employee's interest. Management knows that his policies and actions are subject to challenge and review. This encourages him to be cautious and careful in taking his decisions.

Grievance Procedure:- While adaptations have to be made to meet special circumstances such as those obtaining in the Defense undertaking Railways' plantations and also small undertaking employing fee workmen the procedure normally envisaged in the handling of Grievances should be followed:-

1) An aggrieved employee shall first present his grievance verbally in person to the officer designated by the management for this purpose. An answer shall be given within 48 hours of the presentation of complaint.

2) If the worker is not satisfied with decision of this officer or falls to receive an answer within the stipulate period, he shall either in person or accompanied by him departmental representation, present his grievances, to the Head of the Department designated by the management for the purpose of handling grievances. (For this purpose affixed time shall be specified during which on any working day, an. aggrieved worker could meet the departmental head for presentation of grievances). The departmental Head shall give answer within 3 days of the

presentation of grievance. If action cannot be taken within that period, the reason for delay should be recorded.

3) If the decision. of the Departmental Heads is unsatisfactory the aggrieved worker may request the forwarding of his grievance to the “Grievance committee” which shall make its, recommendation to the Manager within 7 days of the worker's request if the recommendations cannot be made within this time the reason for such delay should be recorded- Unanimous recommendations of the grievance committee shall be implemented by the management. In the event of a difference of opinion, among the members of the Grievance Committee the views of the members along with the relevant papers shall be placed before the Manager for final decision. In either case, the final decision of the management shall communicated, to the workmen concerned by the personal Officer within 3 days from the receipt of the Grievance Committee's recommendations.

4) Should the decision from the management be not for the coring within the stipulated period or should it be unsatisfactory, the worker shall have the right to appeal to management for a revision. in making this appeal, the worker facilitate discussion with Management. Management shall communicate their decision within a week of the workman's revision Petition.

5) If no agreement is still possible, the .union and the management may refer the grievance to voluntary arbitration within a week of the receipt by the worker of Management's decision.

6) Where a worker has taken up a Grievance for redressal under this procedure, the formal conciliation machinery shall not intervene till all steps in the procedure are exhausted' A grievance shall be presumed to assume the form of a dispute only when the final decision of the top management in respect of the Grievance is not acceptable to the worker.

7) It a grievance arises out of an order given by management the said order shall be complied with before the workman concerned invokes the procedure laid down for redressal of grievance. If however, there is a time lag between the issue of order

and its compliance, the grievance procedure may immediately be invoked but the order nevertheless must be complied within the due date, even if all the steps in the grievance procedure have not been exhausted. It may however he advisable for the management to await the findings of Grievance procedure machinery.

8) Worker' s representatives on the Grievance committee shall have the right to access to any document connected with the inquiry maintained in the Department and which may be necessary to understand the merit or otherwise of the worker' s grievances. The management's representatives shall have the right, however, to refuse to show. any document or give any in Information which they consider to be of a confidential nature. Such confidential document(s) shall not be used against the workmen in the course of the grievance proceedings.

9) There shall be a time-limit within which an appeal shall be taken from one step to the other For this purpose, the aggrieved worker shall within 72 hours of the receipt of the decision at one stage (or if no decision is received, on the expiry of the stipulated period), file his appeal with the authority at the next higher stage should be feel inclined to appeal.

10) In calculating the various time intervals under the above clause, holidays shall not be reckoned.

11) Management shall provide the necessary clerical and other assistance for the smooth functioning of the grievance machinery.

12) If it is necessary for any worker to leave the department during working hours on call from the Labour/Personnel Officer or any other officer of the established grievance machinery previous permission of his superior shall necessarily be obtained. Subject to this condition the worker shall not suffer any loss in wages for the work-time lost in his manner.

13) If , however, there be any complaint against any individual member or the staff, who is nominated by the management to handle grievance at the lowest level,

the workman may take up grievance at the next higher stage i.e. at the level of Departmental Head.

14) In the case of any grievance arising out of discharge or dismissal of a workman, the above mentioned procedure shall not apply, instead, a discharged or dismissed workman shall have the right to appeal either to the dismissing authority or to a senior authority who shall be specified by the management, within a week from the date of dismissal or discharge. At the time the appeal is heard. The workman may, if he so desires, be accompanied by either an official of the recognized union or a fellow worker, as the case may be.)

C. Constitution of Grievance where the committee. –

(1) In the case union is recognized – Two -representatives of management plus a union of representatives and the union departmental representatives of the department is, which the workman concerned work.

(2) In the case where the union is not recognized or there but there is a works committee two representatives of management plus the representatives of the department to the workman concerned on the works committee plus either the secretary or vice-president of the works committee (this is in the case the secretary of the works committee is also the workman's departmental representatives).

It is suggested that in the case of the management their representatives should be the departmental head plus the official ho dealt with the matter at the first stage, or the personal officer ,should act as an adviser.

The size of the Grievance committee should be limited to a of four six, otherwise it becomes unwieldy.

1) Define, describe or express the nature of grievances as clearly and fully as possible.
2) Gather facts that serve to explain when, how where, to whom and why the grievance occurred.
3) Establish tentative solutions or answers to the grievance.

4) Gather additional information to check the validity of the solution and thus ascertain the best possible solution.
5) Apply the solution.
6) Follow up the case to see that it has been handled satisfactorily and the trouble has been eliminated.

You can see that we are trying to understand the 'four step grievance procedure. The four steps are :

1. Conference among the aggrieved employee, the front-fine supervisor and the union representative.
2. conference between middle management and middle union Leadership.
3. Conference between top management and top union leadership.
4. Arbitration

The first opportunity to handle the grievance is always accorded to the front line supervisor. In the organization under consideration union representatives are present. Here a union representative may join the front line supervisor. However, all grievances cannot be handled by the front-line supervisor as they may involve issues or policies which are beyond their limit of authority. There may be some which he may fail to redress and find solution for. Hence, we move on to the second step. The second step may involve the personnel officer or some middle level line executive and some higher personnel in the union hierarchy. A third step is constituted by the top management to handle grievance involving companywide issues. In this step the top union representatives join. As we move on to this stage, the redressal of grievance becomes complex and difficult because by now they acquire political hues and colors. It is very difficult to secure an integration of interests at this high level. If the grievance has not been settled by top management and top-union leadership, three possibilities remains :

1. the union can temporarily or permanently drop the issue
2. the union can call a strike if the contract permits or
3. the case may be submitted to an impartial arbitrator. An arbitrator is an outside third party, who is brought to settle a dispute.

11.5 GRIEVANCE HANDLING MACHINERY

A Grievance machinery required to administer the procedure envisages the election of departmental representatives by workers or their nomination by the union or the adoption of workers' representatives on the works committee, where it exists, for this purpose. The management is required to designate the persons for each of the individual various departments to be approached at the first step and the department heads for the handling of grievances at the second step. Such representatives of workers and management, from four to six, will constitute a Grievance committee. Grievance redressed under Grievance Procedure in most of the organization is the responsibility of Personnel Department. In some organizations, a two or three tier machinery is set up to tackle grievances. The authorities looking after grievances under grievance procedure are normally from the Line Departments with the secretarial responsibility usually resting with the Personnel Department and some involvement of the front-line superiors. what is important is to regularly monitor the system and ensure that the supervisors do not indulge in Grievance suppression in place of Grievance Redressal.

As per Rajasthan industrial Employment (standing order) Rules,1963, the provisions for grievance machinery are –

A Grievance Machinery will be required to be set up on each undertaking to administer the Grievance procedure. The minimum requirements of such a machinery should be as follows, except where an established procedure is already working to the mutual satisfaction of either party. Even in the latter case, every effort shall be made to bring the procedure on conformity with the Guiding principles

For the purpose of constituting a fresh Grievance Machinery workers in each department (and where a department is too small in a group of departments) and each shift shall elect, from amongst themselves and for a period of not less than one year at a time, departmental representative and forward the list of persons so elected to the management. Where the union(s) in the undertaking are in a position to submit an agreed list of names recourse to election may not be necessary, similar is the case where works committee are functioning satisfactorily, since the workers committee member of a particular constituency shall act as the department representative. Correspondingly, the management shall designate the persons for each department who shall be approached at the first stage and the department heads for handing grievance at the second stage. Two or three of the departmental representatives of workers and two or three departmental heads nominated by the, management shall constitute the Grievance committee, the composition or which is indicated part B. In the case of appeals against discharges or dismissals; the management shall designate the authority to whom appeals could be made.

Grievance Settlement

In India the settlement of grievance did not receive adequate attention till the enactment of industrial Employment (standing orders) Act 1946 and the Factories Act 1946. According to industrial Employment Act every establishment employing 100 or more should frame standing orders which should -contain, among other matters, provision for means of redress for workmen against unfair treatment or wrongful exaction by the employer or his agents or servants, section 49 of the Factories Act provide for the appointment of welfare officers in every factory where in 500 or more workers are ordinarily employed, Grievances and complaints are handled by these officers.

We have section 2-A of the industrial Dispute Act (added by amendment 1965) which states that the term industrial dispute" includes all differences between an individual workman and his employer connected with, or arising out of his discharge, retrenchment or termination not withstanding that no other workman nor any union of workmen is a party to the dispute. The effect of this provision is that the individual grievances of a worker of the kind noted above can in future pass through the settlement machinery which has been provided for under the Act.

However, you may have noted that none of these Acts provide for a formal grievance procedure to be followed/by the employer for handling day-to-day grievances of his workers. The industrial Disputes (Amendment) Act 1982 which has not yet been enforced provides for the setting up of Grievances Settlement Authorities and reference of certain individual disputes to such authorities. Section 9-C of the Amended Act provides:

1. The employer in relation to every individual establishment in which fifty or more workmen are employed or have bee4 employed on any day in the preceding twelve months, shall provide for in accordance with the rules made in that behalf under this Act, a Grievance Settlement Authority for the settlement of industrial disputes connected with an individual workman employed in the establishment.
2. Where an industrial dispute connected with an individual workman arises in an establishment referred to in sub. Section (i) a workman or any trade union of workmen of which such workmen is a member, refer in such manner as may be prescribed such dispute to the Grievance settlement authority provided for the employer under that sub-section for settlement.
3. The Grievance Settlement Authority referred to in subsection shall follow such procedure and complete its proceedings within such period as may be prescribed.
4. No reference shall be made under chapter III with respect to any dispute referred to in this section unless such dispute has been referred to the Grievance Settlement Authority concerned and the decisions of the Grievance Settlement Authority is, not acceptable to any of the parties to the dispute.

Recently, most of the grievance procedures are built after the Model Grievance Procedure with certain changes to suit individual operations, size and special requirement of the organization. This Model Grievance Procedure is a part of the code of discipline adopted by the 16th session of the Indian Labour conference in 1958. The Model grievance procedure provides for five successive time-bound steps, each leading to the next in case the aggrieved worker prefers an appeal these are:

i. An aggrieved worker shall first present his grievance verbally in person to the officer designated by the management for this purpose. An answer shall be given within 78 hours of the presentation of the complaint.
ii. If the worker is not satisfied with the decision of this officer or fails to receive an answer within the stipulated period, he shall either in person or

accompanied by his departmental sensitive, present his grievance to the head of the department designed by the management for the purpose of handling grievances (for this purpose a fixed time shall be specified during which on any working day, aggrieved worker could meet the departmental head for presentation of Grievances). The departmental head shall give his answer within 3 days of the presentation of grievance.

iii. If the decisions of the departmental head is unsatisfactory, the aggrieved worker may request for the forwarding of his grievance to the Grievance committee which shall make its recommendations to the management within 7 days of the worker's request. Unanimous recommendation of the Grievance Committee shall be implemented by the management. In the event of a difference of opinion among the members of the Grievance committee, the view of the members, along with the relevant papers, shall be placed before the manager for final decision. In either case the final decision of the management shall be communicated to the workman concerned by the personnel officer within 3 days from the receipt of the Grievance committee's recommendations.

iv. should the decision from the management be not forth coming within the stipulated period or should it be unsatisfactory the worker shall I have the right to appeal to management for a revision. In making this appeal, the worker, if he so desires shall have the right to take a union official along with him to facilitate discussion with management. Management shall communicate its decision within a week of the workman's revision petition.

v. If no agreement is still possible, the union and the management may refer the grievance to voluntary arbitration within a week of the receipt by the workers of management decision.

You may be interested to know if this model procedure is applicable in grievances arising out of all the sources that we have discussed earlier. The fact is, in the case of grievances arising out of discharge of dismissal of a workman, the above mentioned procedure-shall not apply. Instead, a discharged or dismissal workman, shall have the right to appeal either to the dismissing authority or to a senior authority who shall be specified by the' management within a week from the date of dismissal or discharge.

We recognize the fact that in spite of best and sincere efforts by the management towards Grievance Presentation, some grievances will, and surface - at least till a time comes when full focus of industrial Relation Manager shifts to the preventive aspect. Till then we shall have to continue with existing Grievance Redressal systems framed on the line of Nodal Grievance Procedure.

11.6 SUMMARY

Prompt: and effective handling of the grievance is the key to industrial peace and harmony. Grievance is any dissatisfaction that adversely affects Organizational relation and productivity. The working conditions such as bad, physical conditions of workplace, improper matching of the worker with the job; change in schedule or procedure non-availability to proper tools, machines and equipments for doing the job, management policy on pay-matters seniority promotion, demotion and discharge the disciplinary actions are the causes of grievance. A good grievance procedure is based On Sound principles. The responsibility for grievance handling is shared and divided between the front-line supervisor middle management executives, top management and the union. There is one school of thought that advocates informal open-door policy of grievance handling. However, the need for formal grievance procedure exits in all the organizations. The grievance procedure is a graduated series of steps arranged in a hierarchy of increasing complexity and involvement. The number of steps in the grievance procedure varies depending on the size of the organization and the specific requirement of the organization. In India a voluntary grievance procedure called the Model Grievance Procedure, a part code of discipline adopted by the 16th session of the Indian labour conference 1958 is the basis of most of the grievance procedures followed in various organizations.

The role of Employer, Workers organizations, Associations in handling grievance procedure is very important and sensitive one. These institutions shall think and act in interest of workers. A bias attitude will lead to industrial unrest which will harm the production. This harm is absolute loss of all the parties to industrial relations.
All the parties to industrial relations shall act in harmony with each other.

11.7 SELF ASSESSMENT TEST

Write short Notes on:

i. The causes of grievance
ii. The Drawbacks of 'Open-door policy."
iii. The need for a grievance procedure.
iv. Grievance redressal in Indian industry
v. Grievance Handling Machinery.

11.8 KEY WORDS

Grievance: "any discontent or dissatisfaction whether expressed or not whether valid or not arising out of anything connected with the company that an employee thinks, believes or even feels is unfair unjust or inequitable."

Grievance Procedure: a graduated series of steps arranged in a hierarchy of increasing complexity and involvement.

11.9 RECOMMENDED REFERENCES

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UNIT – 12
Conceptual Aspects of Industrial Psychology
(MEANING, SCOPE AND IMPORTANCE)

Objectives

The learning objectives of this unit are -

(i) to understand the historical development and meaning of industrial psychology.

(ii) to understand the importance and scope of industrial psychology

(iii) to understand the development of industrial psychology in India.

(iv) to understand the obstacle in development of industrial psychology in India.

Structure

12.1 Introduction

Industrial psychology is a Branch of psychology. Before you understand the meaning of industrial psychology you must know what psychology is ? Psychology is the scientific study of human behavior.

In general, psychology has two phases. Firstly, it gathers information relating to, Human Behavior with the help of research. Secondly, this information gathered is applied to the various practical problems of human life. This means it also has professional focus. Knowledge acquired scientifically can be applied to the practical problems of the real world, in the same way as physicians, engineers etc. supply knowledge in their fields.

12.2 MEANING OF INDUSTRIAL PSYCHOLOGY?

Now, after understanding what psychology is? You should know about industrial psychology? You already know it is a branch or sub-field of psychology. When the principles and facts of psychology are applied to the behavior of an individual working in an industry it is called industrial psychology.

In order to understand the problems concerning human beings working in the business and industry, the principles and facts of psychology are applied. Thus, we can say that it is applied psychology.

As the techniques of psychology are applied to the problems in industry and business the procedures are modified to meet the conditions. Facts are gathered with the help of a well defined procedure and objective scientific conclusions are drawn. We can also say that industrial psychology studies human behavior which is related to production, distribution and use of goods and services.

People play different roles in different aspects of life e.g. in home, social circles, politics, and recreational activities as well as in production and use of goods and services. Even when they changes roles they do not become different individuals and the principles and patterns of behavior still apply to them e.g. A trade union leader might be a worker. A managing director of a company can also be a president of a club.

But when people perform functions in production and use of goods and services their problems are of different nature. And here the industrial psychology studies human behavior to solve human problems when they perform industrially oriented functions.

Nature of Industrial Psychology: Nature of industrial psychology is very complex. All the parties to industrial relations have their own problems. Employer wants maximum work and profit. Worker wants full wages and other facilities. Government in democracy has to think for both. In such a state tension or collision of interest is inevitable. Smartness of all the parties is viewed as to how much all the parties adjusts and listens to the problem of others. Success depends upon harmonious approach of all the parties to Industrial Relations.

12.3 HISTORICAL DEVELOPMENT OF INDUSTRIAL PSYCHOLOGY

The beginning of industrial psychology is said to be in 1901 in America and soon after in England. Water Dill Scott of U.S.A. at this time spoke and published papers on the application of psychology in business and industry. In 1913 a book entitled psychology and industrial efficiency" was published by Hugo Munsterberg.

Great Britain set up a Fatigue Research Board, during the first World War period to study problems connected with hours of work and problems relating to fatigue, boredom, accidents, and safety and like matters.

Advertising, selling, personnel selection, training and vocational guidance were also taken up by industrial psychology during this period.

In 1925 group behavior, motivation, communication, interpersonal relationship in organizations etc. were also researched and thus social psychology of industry entered the field of industrial Psychology.

The famous experiments conducted by Hawthorne group starting in 1927 by Roethlisberger, Dickson,..Whitehead and Homans with Prof. Elton Mayo guiding them contributed a lot to the development of industrial psychology. The approach of industrial psychology was changed by this study from work oriented attitude to a worker-oriented attitude.

1930's was the period when industrial psychological was established as a distinct phase of psychology.

In the decade of 1930 to 1940 industrial psychology emphasized on personnel Selection and placement. During 1940 and 1950's there was more emphasis on human relations and social problems of industry. Greater attention was paid to group interaction, supervision, leadership processes, communication and job satisfaction. Also on employees attitude and morale.
Organizational psychology entered the area, of industrial psychology in 1960s. In this the emphasis is human motivation, and efforts are made to understand the effects of organizational setting op motivation, Job satisfaction and work effectiveness. Organizational psychology takes interest in leadership styles, management philosophies, organizational policies and structures, incentive systems etc.

12.4 IMPORTANCE AND SCOPE OF INDUSTRIAL PSYCHOLOGY

Industrial psychology is concerned with

1. Problem and procedures in selection of employees, methods of selection, psychological tests of employees their placement and development

2. Main aspects of the job, Job analysis, job specifications and job evaluation-. For job analysis various aspects and components of the job are analyzed and information is gathered only as to what employee has to do on this job. Not only the duties but conditions of work and individual qualifications of the employee are also determined.
3. Job specification is related with the characteristics of the job that have been prepared. By job evaluation relative worth of job within the company is determined.

4. Developing effective training programs for all types of employees Different types, areas and methods of training are suggested by industrial psychologists.

5. Specific problems of performance appraisal, when we want to know how well people perform their Job Industrial psychology helps by determining objectifies, scientific methods and techniques required for evaluation of performance on the job.

6. Attitude measurement of employees. All people have attitudes by which they either respond negatively or positively toward another person, group of people, an object, and a situation involving objects and people or an idea.

7. Satisfaction on job. The employee holds various attitudes toward his job factors related to his job and also toward life in general. The result of this job satisfaction. Industrial psychology studies job satisfactions and gives various theories of job satisfaction.

8. Work motivation- why people work, what are the motives and how can they be made to work willingly is also the concern of industrial psychology. Different theories are given by industrial psychologists.

9. Morale - Morale rerates to groups. How a group think, feel and act in industrial organizations. Also, how morale can be measured is also covered by industrial psychology.

10. Leadership and supervision - The psychological aspects of effective leadership, approaches of readership theories are given by psychologists.

11. Industrial accidents- accidents are a serious problem faced by industries. What are the causes of accidents, how they can be prevented and why some people are prone to accidents? is also covered by industrial psychology. Safety education is also suggested.

12. Fatigue- fatigue leads to, decrease in production and increase in the rate of accidents. Industrial psychology pays special attentions to this as to what are the causes of fatigue? How it can be measured and reduced.

13. Working Environment - it is an important point to be considered. Good physical conditions of work will make the work pleasant and may help in increasing the production. It will also affect the -behavior of employee. Adequate ventilation, proper air, reasonable hours of work, rest pauses etc. may increase the efficiency of employees. Music has the effect of increasing morale and improving Performance of the employees.

14. Monotony Boredom- when persons do repetitive work the persons become bore. Tire causes of monotony And measures to reduce it are suggested by industrial psychology.

15. Human Engineering - engineering psychology is also a part of industrial psychology. Time and motion studies, methods of work, designing equipment etc. comas into this.

16. Enrichment or enlargement of job? - In order to avoid boredom and reduction in performance industrial psychology suggests that the scope of the Jobs should be enlarged by expanding the duties and responsibilities.

17. Organizations - with the growth & development of' organizations the scope of industrial psychology extended to the study of organizations. In the field of organizational. Psychology not only the behavior of individuals is studied but also how this behavior determines our social and cultural values including community life. Today, organizational psychology is particularly. Interested in the study of leadership, supervisory relationships, human relations and communications.

18. Labour relations - psychological aspects of labour relations like union membership, group behavior studies, communications, union-management

relations, industrial conflicts and industrial absenteeism etc. are also covered by industrial psychology.

In short industrial psychology is concerned with

1. Personnel selection
2. Personnel development
3. Human engineering
4. Productivity study
5. Management
6. Accident prevention and safety measures.
7. Labour relations

12.5 BASIC CONCEPTS OF PSYCHOLOGY APPLICABLE TO INDUSTRIAL PSYCHOLOGY

Industrial Psychology also depends upon interpersonal relationship of all the parties of Industrial Relations. Interpersonal relationships are social connections with others that can be brief or enduring. We experience a variety of interpersonal relationships on a daily basis with family, friends, significant others and people at our workplace. While every relationship is unique, there are some common themes that influence the health and continuation of all relationships. Several theories have been developed to explain how relationships are entered and maintained, specifically based on various things we are looking for from them. An interpersonal relationship is a strong, deep, or close association or acquaintance between two or more people that may range in duration from brief to enduring. This association may be based on inference, love, solidarity, regular business interactions, or some other type of social commitment. Interpersonal relationships are formed in the context of social, cultural and other influences. The context can vary from family or kinship relations, friendship, marriage, relations with associates, work, clubs, neighborhoods, and places of worship. They may be regulated by law, custom, or mutual agreement, and are the basis of social groups and society as a whole.[7]

There are some basic concepts of principles of psychology that apply to industrial psychology. Industrial psychology is based on these principles.

These are:
1. Causation in Behavior
2. Individual differences
3. Attitudes
4. Motives
5. Frustration
6. Role behavior
7. Morale
8. Leadership

1. **Causation in behavior:-**

For understanding the behavior of a person, we must try to know the cause of that behavior, why a person behaved in this way? What was he reason that he behaved in this way? We accept a certain types of behavior from people but when they do not have behaved in the expected manner. We either approve or disapprove their behavior.
Before evaluating the behavior of a person (approving or disapproving) the cause of the behavior must be found out e.g. a person kills his wife and the reason found was that he wanted to claim the money of the insurance policy.

In industrial situations we find many such behaviors like absenteeism industrial tensions, low production' frustration etc' and we try to find out the reasons or cause of all such behaviors.

Behavior is the result of two factors the individual and secondary the situation in finds himself.

[7] http://en.wikipedia.org/wiki/Interpersonal_relationship

The situation is the stimulating factor. An individual responds to the situation and this stimulating situation becomes the cause of his behavior

Thus, for understanding behavior we have to understand the person and the situation as it is seen by that person e.g. a worker remains absent from work frequently and the reasons is that his wife doesn't keep well. The supervisor might blame the worker. But if he comes to know the cause he might change his attitude towards him.

The nature of the person also contributes to his behavior. The nature of individuals differs from each other. The nature of a person depends on his heredity, environment, culture and also learning. So for understanding the behavior of a person we should try to understand the person and the cause of his behavior. His behavior will accomplish something whether it is desirable or undesirable.

The management before taking corrective measures for changing the behavior of the employees should try to know the cause or situation which leads the person to that behavior.

2. Individual differences

In the first point it was mentioned that the nature of the individuals differ from each other. No two persons are alike their physical as well as psychological characteristics differ from each other. For selections training promotions placement demotions and transfer of employees it is important to measure individual differences. Different types of jobs require different types of characteristics physical as well as psychological.

According to psychologists individual differences can be classified on the basis of personality.

Personality in simple words is how a person behaves with other person. In personally comes the characteristic of the individual and his distinct behavior which distinguishes him from other persons.

For understanding personality we must know the characteristics in which people differ from each other and the consistency of their behavior in different situations. Also how the personality of an individual influence his actions and reactions to environmental situations.

Personality can be judged on the basis of traits.

A trait is a tendency to behave in a particular, way. The combination of these traits constitutes the personality. We can say that the characteristics and distinctive ways in which people differ from each other are called traits.

A trait has two extreme ends. On the one end is rack of the trait and on the other an extreme possession of it. For example a person may be having the trait of introversion or extroversion. He might be irresponsible or responsible etc.

Some psychologists suggest 12 traits while others say 35 traits are necessary for understanding human personality.

Now we will classify human traits that are relevant for industrial psychology. We can broadly classify them in two parts.

1. Expressive traits
2. Performance traits

1. **Expressive Traits:-** For selection and placement of workers these traits pray an important role. In these are included :-

a) Physical traits
b) Movement traits
c) Perceptual traits
d) Style traits
e) Age traits
f) Sex traits

a) **Physical traits:** physical characteristics of persons such as height, weight, muscular body, fattiness etc. Are important considerations for selection of employees for some jobs?

b) **Movement traits :** Movement of hands legs, finger arms and also of body are also important for some industrial jobs e.g. Machine operators, watch repairers etc. persons who do not have special movement traits are unfit for some

c) **Perceptual traits: -** Perception can be described as how we see the world around us". We receive massages through our five organs viz. eyes, ears, nose, mouth & skin. The different sights, sounds, smells, tastes and sensations that we feel are known as stimuli. Each person recognizes selection organizes and interprets these stimuli in his own individual manner. These peculiarities are known as perceptual traits. With the help of psychological tests such as sensory motor tests, projective tests etc' perceptual traits are determined. Whether a person is fit for a particular job i.e. is capable of perceiving as required can be found out.

d) **Style traits:-** A person who is able to converse nicely or socialize easily, he is fit for the job of public relations or sales. Similarly a person who can write and sketch would be useful for preparing advertising copies. These are known as style traits.

e) **Age traits: -** For responsible jobs such as managers executives etc. a person who is mature and experienced would be preferred. But for those jobs in which training is to be given and lot of learning is involved young person's would be given preference.

f) **Sex traits: -** For certain jobs like nurse's teachers etc. women are found more suitable than man. And for certain other jobs men are preferred.

2. Performance traits :

The performance of individuals is also differing in various work situations" We cat divide performance traits as under:-

(a) Physical Performance traits
(b) Intellectual traits
(c) Non-intellectual traits

(d) Interest traits

(a) Physical performance Traits :-

Differences in physical performance are important. workers whose performance we find is very good and we say they are high performance. Then there are workers who can be called middle performance and similarly there are pool performers. It is necessary to ascertain the level of performance of a worker for giving promotions and incentive wages. Industrial psychologists compare performance by various techniques.

(b) Intellectual traits :-

Persons differ in intelligence and mental ,abilities. Intelligence tests are taken for knowing the I.Q. (Intelligence Quotient) or M.A. (Mental Age). This is an overall measure of intelligence. Intelligence or IQ is a combination of various mental abilities. Psychologists have identified various factors of intelligence or these are different mental abilities. Thurstone discovered six primary mental abilities (PMA) tests give us not only the general level of intelligence a person is weak or strong. The six mental abilities discussed by Thurstone are:-

I. verbal comprehension :- Ability to think communicates and plan.
2. Perceptual speed: - ability to see small details accurately and quickly.
3. Numerical ability: - ability to work with numbers easily.
4. Reasoning: - ability to find out relationships with the help of symbols.
5. Word fluency: - ability to express while talking and writing by using appropriate words.
6. Memory:-ability to remember.

Different jobs require different revels of intelligence and different mental abilities. If a person is selected for a job for which he does not possess the required intellectual traits he will not adjust with the job.

(c) **Aptitude traits:-** Aptitude means an ability to do a particular job after being trained. Some persons may have an aptitude for a particular job while others may not have it. People with aptitude will adjust to that job. Aptitude tests are taken for selection and placement, e.g. clerical aptitude, mechanical aptitude.

(d) Non-intellectual traits or personality traits:- Traits like honesty, integrity, loyalty, ambition, attitude, interest, emotion etc. are also a part of personality along with intelligence, People differs from each other in these traits. We can measure some of the personality traits but it is difficult to measure some others. Minnesota Multiphase personality inventory investigates a representative set of traits.

(e) **Interest traits:** - Some people may have an interest in a particular kind of job while others may not have it. interest tests are relevant in making selections and vocational counseling at the early stage.

3. Attitudes:

Attitude means how a person's feels toward an object. This feeling can be negative or positive, favorable or unfavorable or pro or con. We can also say it is either liking or disliking something.

Every employee has either a positive or a negative attitude, e.g. one employee likes his employer, he does not criticize him, and he tolerates everything. But another may not like his employer; he may criticize him and find faults on trivial things. We can say that the former employee has a positive attitude while the latter a negative.

Attitudes are learned from experience, family, friends or mass media.

The attitudes are very important from the view point of industrial psychology. The harmony and success of an organization depend on the attitudes of its employees toward their jobs and employers etc.

Industrial psychologists work is to study and change the attitudes of the employees whenever necessary.

4. Motives:-

It is an internal factor that influences behavior. We all have needs. When a need is sufficiently pressing, the person tries to .satisfy it. It is then known as motive.

There are two types of motives or needs.

(1) Primary motives or needs and
(2) Secondary motives or needs.

(1) Primary needs or motives are those with which we are born e.g. need for air, water, food, clothing and shelter etc. These are physiological needs.
(2) Secondary needs or motives are those which are acquired. we develop some needs because of the society and environment in which we live. These needs are also psychological needs. These may include the need for power, prestige, esteem, affection, leaning, status etc.

In order to motivate employees the management must see that their needs are fulfilled. Physiological needs can be fulfilled through the medium of money or increase in wages. But for motivating employees their psychological needs should also be fulfilled. e. g. praising an employee or giving recognition to his work etc. Several motivational theories have been propounded and on the basis of these theories many methods of motivating employees are adopted.

Each motive will lead a person to a specific kind of behavior. Thus, we can say that in order to motivate an employee it should be found out what his needs or motives are and how these can be satisfied.

5. Frustration:

Every person has some goal to achieve or he wants to satisfy some motives. Goal may be short-term or long-term e.g. feeing a football match or wanting to become and I A.S. officer'). The person undertakes activities to achieve his goal.
But it is not always easy to achieve a goal. A person might find that there are obstacles or hurdles in his way. Because of these hurdles he night have the feeling that he will achieve his goat. This feeling would be called frustration. A frustrated person will behave in a number of ways. He might become aggressive or he may resign that means give up his goal.
When a person is frustrated he becomes inflexible, stubborn, and unreasonable and stops, learning whereas motivated behavior is flexible and a person learns.

The management should try to change the frustrated behavior into a motivated behavior of the employees.

6. Role Behavior:

Everyone plays a number of roles in his life time. A person is a father, brother at home and he might be a supervisor or a worker, in the industrial organist ion his behavior will differ according to the role. Certain type of behavior is expected for a particular role.

In organization also a person might be a supervisor, a colleague or a subordinate to someone and a superior to some other person. For every role there are certain rights and duties and certain type of behavior is expected.

Every person should play the role as expected otherwise there would be problems. Behavior should be in accordance with the role.

7. Morale:

The term morale is generally used by armies in war time and by athletic team. This is also used in industries. In industries morale refers to the feeling of the employees that they belong to a group and they are accepted by that group. Further this group has some common goals to achieve and these goals are desirable.

Employee's morale is high when they are satisfied with their jobs, Supervisors and the organization. When morale is high good work is done by employees. But when morale is low the work will suffer.

It is the duty of the management to see that the morale of the employees do not become low.

8. Leadership:

A leader or a boss influences the activities of a group to achieve the goals.

The leader tries to keep the morale of the group high. A good leader may achieve good Results. Leadership has great importance in industrial organizations.

There are different types of readership found organizations e.g. autocratic, participative, democratic authoritative etc.

The success or the failure of an organization depends upon the leader of the organization. Industrial psychologists have studied various types and styles of leaderships.

12.6 OBSTACLES IN THE WAY OF INDUSTRIAL PSYCHOLOGY

Human beings whether they are employers or employees resist change, employees do not want any change as they think that it will affect their habits and also their attitudes. A fear of lay off and retrenchment is also there. They feel insecure because imagined change. Hence, they have reservations in accepting industrial psychology.

On the other hand employee of management also resist change as they are not sure whether this change as they are not sure whether this change would be beneficial and they do not want to take any risk. Those favoring traditional management systems do not favors new scientific methods as they want to retain right to hire and fire.

Moreover management wants a guarantee that the change would be advantageous. This is not possible.

Another hurdle is industrial psychologists must talk and write in a way which is understood by other people. It means what the psychologists want to convey should be understood by a non-psychologist. Difficulty of communication exists within the field of industrial psychology itself.

The industrial psychology is becoming complex day by day. The specialized work on different problems done by psychologists is also not understood by practitioners. Thus there is a communication gap between the researchers and practitioners. It is felt that this problem is the critical hurdle in the development and acceptance of industrial psychology.

12.7 DEVELOPMENT OF INDUSTRIAL PSYCHOLOGY IN INDIA

The need for research in industrial psychology was felt after the independence. It was realized industrial psychologists are required to solve the problem of industries.

Because of the rapid growth of industries and improved technology the researches also increased in quantity and the quality was also improved.

The Indian institute of Management, Ahmedabad was established which contributed Textile industries research association, The shri Ram centre for industrial Relations, the south Indian textile research association the Indian institute of science Bombay also conducted many researches. Psychologists and academicians also did a number of studies on many aspects for examples

1) Vocational choice guidance and selection, selection procedures.
2) job satisfaction, labour turnover and absenteeism,
3) Accident
4) Industrial efficiency and environmental improvement.
5) Consumer Psychology
6) job analysis
7) management and organization and
8) Engineering Psychology.

This recent trend show that increasing attention is being paid on employer - employee relationship –organization structure and behavior, Moreover, these days we find that a number of studies are conducted on leadership and training method as well as on motivation. We find some research on morale and frustration also. Still there is a need for more studies on conflicts, morale and frustration as well as on other aspects.

12.8 SUMMARY

Industrial psychology is a branch of psychology when the principles and facts of psychology are applied to individuals working in business and industry, it is called industrial psychology. In 1930s industrial psychology was established as a distinct phase of psychology. Today it is also known as organizational psychology. Some of the basic concepts of psychology are applicable to industrial psychology e.g. causation in behavior, individual differences etc.

Industrial psychology today has become very important from the view point of industries because of technological changes, division of labour and automation of work. Its scope is vast as it looks after all aspects of behavior and problems of human beings working in industries.

Although there are some difficulties faced by industrial psychology still it is gaining importance day by day. Many researchers have been done by academicians as well as psychologists on various aspects. A number of research institutes have been established/ every year various studies are undertaken in subjects related to industrial psychology.

12.9 SELF-ASSESSMENT TEST

Answer the following questions in order to test your knowledge.

Q. 1 Define industrial psychology and discuss the importance.

Q.2 critically examines the, historical development of industrial psychology.

Q.3 what are the basic concepts of industrial psychology? Discuss briefly.

Q. 4 Write short notes on the following

(a) Morale
(b) Frustration
(c) Attitudes
(d) Leadership.

12.10 KEY - WORDS

1) **Industrial Psychology** - scientific study of the problems and behavior of the employees working in industrial organizations.

2) **Psychology** - It is the scientific study of human behavior.

3) **Trait** - It is a tendency of an individual to behave in a particular way.

4) **Attitude** - A feeling of liking or disliking an object.
5) **Motive** - A need which influences the behavior of a person.
6) **Individual differences** " The differences, in the characteristics of individuals which make them different from each other.

FURTHER READINGS

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UNIT - 13
Leadership
(MEANING FUNCTIONS, QUALITIES AND STYLES)

Objectives

After reading this unit you will know about;

- Meaning of leadership.
- The importance of leadership.
- Different aspects of leadership.
- Qualities of leaders.
- Leadership styles

Structure

13.1 MEANING, DEFINITICIN AND TYPES

Meaning :

The term leader has become very important today. We find leaders in every sphere of life whether it is politics, army, social circles or business. A person or thing that holds a dominant or superior position within its field, is able and to exercise a high degree of control or influence over others.

1. The individuals who are the leaders in an organization, regarded collectively.

2. The activity of leading a group of people or an organization or the ability to do this.

Leadership involves

1. establishing a clear vision,
2. sharing that vision with others so that they will follow willingly,
3. providing the information, knowledge and methods to realize that vision, and
4. coordinating and balancing the conflicting interests of all members and stakeholders.

The term leadership has assumed tremendous importance. It is felt today, that the success or failure of an organization depends upon the kind of leadership it has. The success of a political party is attributed to good leadership. The army also needs capable officers as leaders. In business organizations, it is the leaders who make the origination strong or weak. Religion also cannot do without leadership.

Definition :

It is difficult to define leadership, Many definitions have been given by many academicians. There is no consensus. of opinion regarding the definition.

we know that for any group of persons who want to achieve some goals there is a need for a good reader who will guide the group and help it achieve its goats. without leadership there will be confusion in the group.

Robbins defines leadership as the ability to influence a group toward the achievement of goals, It is a process which exerts social influence. In the words of Hersey and Blanchard it is the process of influencing group activates toward the accomplishment of goals in a given situation.

Thus, the person who is a leader in a particular situation tries to influence the behavior of other persons in order to achieve the goals and this is done with the help of communication. He persuades others to seek defined objectives and that also by willing cooperating e.g. a trade union leader exerts his influence' over the workers. the workers behave is the leader wants them to behave. The group of workers with their leader’s guidance try to achieve their goals.

Leadership process comprises three factors.: (a) Leader, (b) the follower and (c) other variable

(a) The leader must have followers who allow the leader to make decisions for them .

(b) Leader influences behavior of his followers and motivates them. There is a relationship between a leader and followers which arises because of the common goals.

(c) The leadership is exercised in a particular situation The situation variables .has an impact on the effectiveness of the leadership. The leader builds the morale of his followers and also creates confidence in them by motivating and directing them.

Three types of leadership

Leaders outside organizations “Meta”-

A person may become a leader from outside of the organizations who are not actually in the industry. He may not have any authority, or power or subordinates in the industry. Still this persons may exert influence over-.the people who may willingly become his followers. Leaders in public life are the examples of this kind of leadership.

Leaders insider organization - "Macro"

(a) "Macro" - The second type of leaders are those who are in the organizations they shake and move the organizations to face the future bring change in the organist ions and achieve the results. They link the individuals to the organizations. They may use or not use the authority or power still they make followers who become committed to the organizations .

According to John Nicholls while the first type of leadership is called meta (which is outside organizations) the second type is called macro (inside organization) and third is called micro (who can deliver the goods)

From the point of view of management both macro and micro level of leadership is essential. At the macro level managers have to ensure that their subordinates are doing the right things that means “what things they are doing and the right are doing" while at the micro level where the leadership is concerned with the job or task to be done the manager has to see that his subordinates are doing thinks in the right way. Now if meta leadership is also present that means manager exerts influence without to use of authority or power this will help both types of leadership.

The meta type of leadership can also be called informal leadership. While the macro and micro type of leaders can be called formal leaders.

13.2 MANAGERS AND LEADERS

Leadership is a part of management. Managers also plan and organize and they are supposed to exert influence over their subordinates. so manag6rs are also leaders. But a manager may be a weak leader. A good leader may be a weak manager. Because if a person is good in planning, he is a good manager but if he fails to exert influence over his subordinates he happens to be a weak leader. On the contrary a person can be weak in planning that is he may not be a good manager, still he can exert influence and be a good leader.

A successful manager is that who is also a good besides leader being a good manager. These days the companies compete with each other not by means of product but means of leaders - good manager as readers will develop good and then they will develop better products.

For the purpose of management, leadership can be classified into three levels.

1) Top management : Directors, presidents, Vice-presidents, who make policies and include officers in charge of various functional and divisional activities.
2) Middle level or the intermediate level management : In this the executives such as works manager, sales managers advertising managers. etc. come who execute the plans and policies of the company.
3) Front line management or the foreman and supervisors : These persons translate the ideas into action. They get thing done with different styles of readership, they get the work done from their subordinates.
4) The above three types of leaders operate at different levels and have different responsibilities and duties. But their problem is to deal with people

and lead them. For all practical purposes front supervisors and foreman are the leaders as they come directly in contact with the workers.

13.3 FUNCTIONS OF LEADERS

Lord Moran who during the second world war was the President of British Medical council and physician to sir Winston Churchill, the war time Prime, Minister of Great Britain gave a definition of leadership. He had watched top leaders of the world in politics, military and industry. The definition given by him reads as follows:

"Leadership is the capacity to frame plans which will succeed and the faculty to persuade others to carry them out in the face of all impediments."

From the above definition we can say that leader has to frame plans and then get those plans carried out. He also has to remove the obstacles which come in the way of carrying out these plans. He tries to make those plans succeed.

We also say that the leader "knows what do" and then "gets things done".

The above definition gives the broad functions of leaders. For performing the broad functions given above the leaders have to perform the following important functions.

(i) Develop team work:

The leader has to make the environment conducive to work for his followers so that the followers are able to work collectively as a team. He provides motivation to his subordinates for improving their performance. The leader also creates confidence in his subordinates by giving proper directions. High morale in built by the leader by providing good leadership which leads to high productivity and organizational stability.

(ii) Act as Counselor

For effective performance the leader removes the obstacles & barriers from the way of performance of employees. For instance when an employee becomes frustrate, or he is emotionally tense, he renders him wise counsel and releases his tension, or frustration and makes him an efficient employee.

(iii) Use power effectively:

The leader in order to achieve the goals uses his powers properly. In different situations he exercises different types of powers sometimes; Power is used on the formal basis and sometimes on informal basis. The leader has to see that his orders are obeyed.

(iv) Act as linking pin:

A leader is in between the work group and the top management. Reysis Linkert called leaders linking pins. The, leaders carry the messages of subordinates to the top management. They integrate the entire organization.

(v) Utilize time effectively:

Management of time is very important for effective performance. Leaders know how to manage time well. They try to get the work done in time.

(vi) Makes the organization effective :

With the help of time management and encouragement of team work, and proper use of power the leaders bring effectiveness to the organization. In order to encourage good performance they provide an adequate reward structure also.

(vii) Task and Psychological support:-

Leaders provide task to their followers and also give psychological support.

(viii) Role modeling:

Supervisor try to supervise in the same way as they are supervised. similarly, followers of the leaders try to emulate their leaders. Leaders serve as their role model.

13.4 QUALITIES OF A LEADER

The reason why good leaders are so few is that the combination of qualities required in a good leader is very difficult to be found in persons. Good Leaders leave an impact after they are gone. All good leaders have two qualities in common. The first is that they are thorough gentlemen, and they are selfless.

A leader who is a gentleman will be honest and will always tell the truth. He has a sense of duties and obligations of his position. He will give others their due. To the weak he would be considerate and he has principles by which he stands. He would be loyal and a man who can be trusted. He will not be elated nor depressed easily.

The definition of gentleman also includes selflessness. The military officers are repeatedly told that they should be gentleman before being officers. Besides the above basic qualities the leaders should have other qualities also. These are – **(1) knowledge -** The leader should have knowledge of his profession. This may also be called technical skill. He should know what to do. The leader should also have the knowledge of handling people. In other words he should have human skill. It is the ability to work effectively with people and to build team work.

Again leaders should have conceptual skill. It deals with ideas for example planning, etc.

(ii) Character: character gives the leader strength to get things done so the leader should have a good character. He should be courageous also, so that he is able to face the danger and take decisions will-power should also be able to take initiative to take advantage of opportunities.

(iii). Ability to build effective teams: The leader has to build teams, w-h1ch are effective" All teams are groups of people, but all groups of individuals are not teams. The team has a goal to attain. The group knows the direction in which to go and priorities. Effective teams make the best use of individual strengths and protect members from individual exposure. Under the leaders guidance the team achieves its goals. According to Peter Drucker "The manager's first task is to make effective the strength of people" This is done by building effective teams.

(iv) Ability to listen: Bill Marriot said "Managers get into trouble when they stop listening to their staff". The leader must have the ability to listen.

Again, Fred Harmon in his book "The Vital difference Counsels' listening is a skill and an art. The most important skill for a manager is being able, to deal with people, a good people person knows how to listen."
A leader should devote a major portion of his time of communicating - listening, talking, negotiating interviewing. Yet: most of the leaders are incapable of listening. A successful manager has to have this quality of listening, for dealing with people.

(v) The capability of making decisions: The manager or the leader should not hesitate to take decisions. He should have this quality. To take decision means being accountable for success or failure. In order to keep the things moving he has to take decisions at whatever level he is managing affairs. For taking decisions he should not depend on others. He should be bold enough to take decisions on his own.

(vi) Ability to retain good people: The leaders influence should be such that his followers do not feel like leaving his leader. The manger should be able to influence his employees so that he can retain good employees.

(vii) The ability to surround himself with right people: this means he should not be misled by wrong people. At the top also he should keep contacts with the right people in order to be successful.

(viii) Intelligence: The leader should be intelligent. He may not be successful unless he has this mental ability.

(ix) Emotional stability: The consistency of actions is necessary for a leader. He should be emotionally stable, free from any bias and anger.

(x) Empathy: The leader should be able to look things from the point of view of others. How other persons feel and think, the leader should be able to understand. Empathy requires respect for the other persons, their rights, beliefs, values and feelings.

(xi) Objectivity: The leader shoot be objective in his approach. His decisions should be based on relevant facts and information. He should not be influenced by his emotions.

(xii) Motivating and social skills: The leader should be able to To]iyqt: his employees in order to improve their performance. He should know, the different techniques of motivating people.
similarly, he should also be able to socialize with others. He should be able to understand people and know their strengths and weaknesses in order to get their cooperation.

(xiii) Ability to follow : Leader also has to report to someone. Even the President of a company has to report lo Board of Directors. So the leader should be a good follower himself. By being a good follower he will set a good example to his own followers. thus, for being a good-leader he should have the ability to follow.

Besides the above qualities the leader should be energetic, charismatic, democratic and educated. He should have integrity so that he is trusted by his followers.
The effectiveness of leadership cannot be taught. It is an aft. The leader can become effective by self-effort.

13.5 LEADERSHIP (Approaches) THEORIES

In a book written by Bennis and Nanus entitled "Leaders" (1985), the authors say leadership is wise of power, and the power is the basic energy which is required to take and sustain action. Now, the basic question is what makes a leader effective. How persons become leaders. Why a person X becomes a leader and Y does not. For understanding this we will have a look into the different theories of leadership. Many research studies have been conducted to find out the answer to this question. Although these studies could not provide the answer to this question still these researches have resulted in development of various theories or approaches on leadership.

The main theories or approaches of leadership are –

(i) Trait approach
(ii) Behavioral approach
(iii) Situational approach
(iv) Group approach
(v) Composite view or Eclectic approach

(i) Trait approach :

Characteristics or traits of a person makes him a leader. All big leaders have some qualities or traits which made them effective leaders. That is way it is called great men theory. This theory assumes that if a person has certain qualities required for a leader he can lead any group of persons in any situation. Now various studies in this theory revealed various types of results. Different qualities were found to be required for a successful leader. The common traits are intelligence, initiative, imagination, courage, communicative ability, self-confidence, human understanding, optimism etc.

But subsequent researches revealed that these characteristics do not necessarily make successful leaders. This theory faces some problem.

Firstly, we cannot generalize that these are the traits required for every good leader.

Secondly, problems of measuring traits is also there.

Thirdly there are many people who possess these traits still they are not successful leaders.

We can say that some personal characteristics are necessary. These qualities can be developed with the help of training and development programs.

(ii) Behavioral Approach :

According to this approach though traits are necessary but it is the effective role played by the person which makes him a successful leader. The acts of the leader matter a lot. Acts are influenced by traits but these are also influenced by followers' goals and the environment. The four elements leaders, followers' goal and environment influence each other and determine a behavior. A behavior of a person will make him a successful or unsuccessful leader.

This approach has a drawback' A particular behavior may become effective on" time and ineffective at some other time.

(iii) Situational approach :

This approach says a person may be a successful leader in one situation but if there is a change in the situation. he may not be successful, e.g. Winston Churchill was successful Prime Minister of Great Britain during second world war. But when the war ended he became ineffective. A research conducted by Ohio State University gave four situational variables that affect the performance of leadership.

(a) The cultural environment
(b) individual differences.
(c) Differences between jobs
(d) Differences between organizations.

(**a) Cultural environment :**

For influencing the behavior of his followers the leader should try to understand the culture in which the follower is living.

(b) individual difference :.

Persons have different interest, aptitude, perceptions, motivation, experience, education etc. They also affect the leadership process, for some persons a particular leadership style may be suitable and for others and other style.

(c) Differences between jobs :

Different types of jobs required different types of leadership. The demands of the job force a leader for some activities and he acts in a particular way.

(**d) Differences between organization :**

The size, age, ownership patterns, objectives, managerial pattern etc. differ from organization to organization. Different types of leadership process is required for different types of organizations. Leadership in military will differ from that of business organist ions and also these will differ for govt. administration.

This theory has certain limitations.

It does not say whether a person who is good leader in one situation would prove to be so in another situation also. Again by this theory it is difficult to measure the qualities of a good leader. This theory also does not show how the leaders can be made in organizations

(4) Group approach :

According to this theory the leader is bound by the needs, descries and norms of his followers. The leader has to organize the groups interactions in such a way that the needs of the groups are fulfilled. Each group has its own traditions and norms and the leader must operate within these traditions and norms. the followers will have confidence in the leader when the leader is able to satisfy the social and personal needs of the followers.

(5) Composite or Eclectic approach :

In the view of Sanford, leadership depends upon traits of leader, situational variables and types of followers. effective leadership is a function of several factors

(i) the leader,

(ii) followers and

(iii) the situation.' This approach is able to tell how the leadership develops.

13.6 LEADERSHIP STYLES

The style of behavior which the leader adopts for influencing the behavior of his followers is known as leadership style. It is the pattern of leaders actions toward their followers. When the leader adopts one style he becomes used to it, that is he develops habits of actions. The different styles given below are used in combination and not separately. Sometimes a leader may use one style and then he may change his style in some other situation.

(i) Positive and negative leaders :

The leaders influence their followers in different ways. They may .use positive leadership by giving rewards, economic or otherwise to their employees. Positive leadership generally results in higher job satisfaction and performance positive leaders motivate their employed with the help of rewards to work hard.

In negative leadership the leaders threaten their followers with punishment for not doing the work. Negative leaders are more bosses than leaders. With the help of authority and power they frighten the employees.

Both the styles of leadership are seen and used managers of one style whether it is negative or positive would dominant.

These days it is believed that positive leadership is more desirable and this will produce better results. The manager should be leaders rather than bosses.

(ii) Autocratic leadership :

In this style Which is also known ,as authoritarian style the manager plans the work for the employees and they do what they told. The leader or the manager also keeps decisions all the powers of making with himself. There are two types of autocratic leaders :

(a) strict autocrat : The leader is strictly authoritarian. he uses negative style for motivating his employees, and centralizes powers.

(b) Benevolent autocrat : This leader is also authoritarian keeps all the powers with himself. But he uses positive motivation for getting work done.

Now autocratic style has some advantage as well as disadvantages.

The advantages are -

(1) Those employees who are less competent and cannot take part in decision making prefer this style. They want to do what is told.

(2) authority being centralized quick decisions can be taken by the leader.

(3) when the motivation style is positive this style is liked by some employees.

Disadvantages are –

(1) When the style is negative : There develops frustration in employees, their morale become low and there are conflicts in the organization. The employees do not feel motivated enough to give their best performance.

(2). Future leaders cannot develop under this style.

(iii) Participative leadership :

This can also be called democratic. decentralizes his powers. For making decisions employees. He takes suggestions from them. The share the responsibility with the manager.

Participative or democratize style makes labour management relations better. Other advantages are –

1) There is more cooperation in the group.
2) Dependence on the leader is less
3) employee morale is high. They feel motivated that the suggestion are taken and they also are participating in the decision making process
4) It provides better planning and decision making. There is more organizational stability.
5) There is more satisfaction and improvement in productivity. This style can work only where the employees are educated informed and organised illiterates will not like this style.

(iv) Laissez-faire or Free rein leadership :

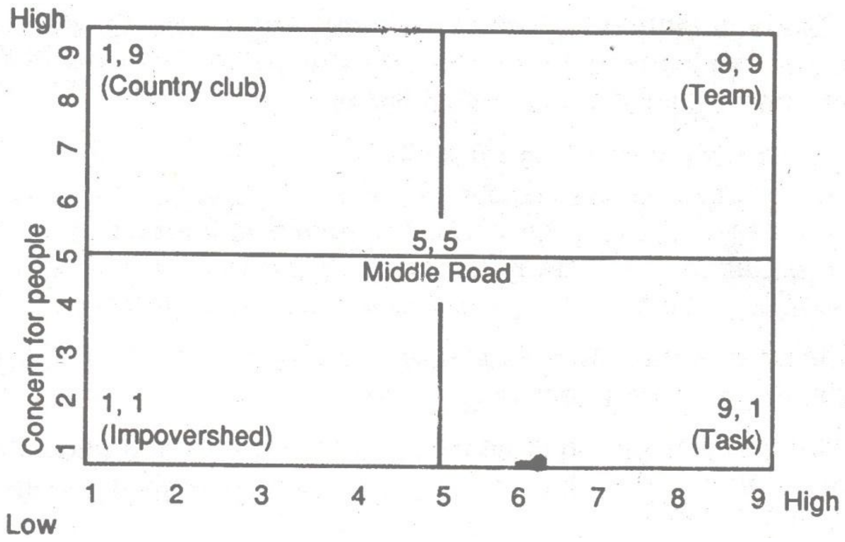
This leader is not interfering type He lets his employees make their own decisions and achieve goals. once the policy and programs Countermined and limitations of actions are devised he leaves everything on the employees. By this style the subordinates will develop but sometimes this style may create chaos. So this style is suitable to highly trained and professional staff.

Two concepts of leadership behavior – employees orientation and production-orientation :-

the University of Michigan made a study of leadership behavior and concluded that there are two concepts, employee orientation and production-orientation. The employee-orientation concept deals with the relationship with the employees. While the production-oriented concept emphasizes the production and technical accepts of the job. The first concept reflects "concern for people and the second “concern for people” as it is based on the relationship aspect. But authoritarian concept is "concern for production".

Managerial Grid :-

Now the two aspects of leadership "concern for people” and “concern for production" are very important. On the basis of these and Manton gave a model of managerial grid. There are five representative styles on the managerial grid :



Concern for production
The management Gird

1.1 impoverished management or management which do not care much minimum effort is exerted by management or leadership to get the work done and also the concern for people is also low. interaction in the team is minimum and decisions are avoided.

1.9 Country club management : The “Concern for people" is tremendous. work and task standards are scarified for keeping good relations with employees. The atmosphere in the organist ion is friendly and working relationship is comfortable "concern f*r. production,, is minimum.

1.9 In this the emphasis is simply on production. It is "concern for production" only. "concern for people" and their needs is overlooked. work is organised in such a way that the work gets on without interference by people and their-needs.

9.9 This team management : This style is concerned both with production as well as people. Equal importance is give to both. This members of team are committed people who work together to achieve the goal of the organization. Their needs are locked after by the leader. Balance is maintained between the "concern people" and "concern for production" This is optimum leadership style.

5.5 Middle of the Road : in this the manager tries to keep a balance between "concern for people" and "concern for production". He is moderately concerned for people as well as production. This style is known as "Firm-but-fair". This is average style and mostly used in business these days.

Managerial grid is useful for managers for knowing different styles. For training also it is beneficial as well as for understanding various combinations of leadership styles.

Indian managerial leadership style is mare autocratic. In many organizations paternalistic or benevolent autocracy exist. In very few cases democratic or participative leadership is there. The style depends on many factors, e.g. age of the executives, their positions and functions, the size and type of organization.

In family-managed traditional originations autocratic style prevails. Benevolent autocracy is also there.

In private sector in multinationals the degree of participation is more. While in public sector bureaucratic style is more prevalent.

Three studies conducted recently concluded that Nurturing task (team type) 9.9 is effective for those employees who personally want to be dependent on their leader and accept that the leader is superior. It is neither "concern for people" nor "concern for production" style which is effective. The effective style is the mixture of both.

In another study the findings were that stress decreases the importance of participative style and increases the significant of authoritarian style. In other words we can say, when a leader is under stress he adopts authoritarian style and that becomes effective for that situation. Even though he never use, this style under normal conditions so the style will vary according to the situation or conditions also.

13.7 SUMMARY

Leadership has assumed importance in every field of life. Leaders influence the behavior of their followers in order to achieve the common goals.

Leadership process consist of three of actors - leader, the follower and other variables. You will find leadership outside or organizations as well as inside organizations. Managerial or business leadership can be classified into three levels, top, middle and front line.

Leaders have to perform various types of functions, in order to exert influence and getting things done, They require different qualities also. Now, there are various leadership theories which indicate how leaders are made. These theories or approaches are trait, behavioral situational, group and composite.

In order to get things done leaders adopt different styles. These are known as leadership styles e.g. negative or positive, autocratic, democratic or free-rein.

There are two concepts of leadership behavior "employee oriented' and "production-oriented'.

A model given by Blake and Manton gives five different styles of leadership. this is known as Managerial Grid.

13.8 SELF-ASSESSMENT TEST

Q.1 Who is a leader ? What are the qualities required for an effective leader ?

Q.2 What are the functions of leaders ?

Q.3 Discuss the various approaches of leadership.

Q.4 Describe the various leadership styles adopted by leaders.

13.9 KEY-WORDS

1. Autocratic - leadership - A leader who exercises authority.
2. Participative leadership - Democratic-A leader who lets his followers give suggestion and take part in the decision making.
3. Employees-oriented - Where the leader is more concerned about relationship with employees. This is called "concern of people".
4. Production-oriented - where the leader is more particular about the work to be done. He shows less concern for employees and more concern for production.

13.10 FURTHER READINGS

1. Organization theory and behavior by L.M. Prasad – Sultan Chand & Sons.
2. Human relations and organizational behavior - R, S. Dwivedi - Oxford and IBH Publishing Co.

UNIT-14
Morale
(MEANING, FACTORS KINDS, PRINCIPLES OF MEASUREMENT)

Objective :

After going through this you would be able to understand:

- Meaning & definition of Morale.
- Factors affecting morale.
- Why morale is in very field has attained importance.
- Measurement of morale – How and When?
- Methods of increasing morale.

Structure

14.1 Meaning and Definition

The term morale refers to the team spirit of a group, which tries to achieve some objectives. It is used in armies during wartime. It is also used in sports teams. We also say that the morale of the nation is low or high. In industries also this term is very important. In modern times management is very much concerned with the morale of workers or employees in industry.

Meaning and Definition: Industrial morale is defined by Blum and Naylor as the "possession of a feeling, on the part of the employee, of being accepted and belonging to a group of employees through to common goals and confidence in the desirability of their goals"

The above definition has three aspects:

1) Feeling accepted by one's work group
2) Sharing common goals with one's work group
3) Having confidence in the desirability of these goals.

The first aspect is that the member of the group should have the feeling of belongingness. He should feel that he belongs to particular group and he is also accepted by that group. The work groups may be of different sizes. The member may belong to a work group which may be a section that is he may belong to a small group. The morale of this section would be called section at morale. Now this section is a part of the department and the department may be a part of a division which is a part of the company. We will say departmental morale, divisional morale &. co. morale. The goals of the section, the department and the division may be different. The morale of the department may be low because the members may not be agreeable n the departmental goals but the morale of the co. may be high as the members might feel that the goals of the company are reasonable.

Morale is a group phenomenon which has four elements.

1. Group solidarity
2. Group goal
3. Observable progress
4. Participation in reaching the goal

The group should be united and it should have a goal. While achieving the goal the members can observe the progress and they should have the feeling that they are also participating in the achievement of the goal.

14.2 Morale and Job Satisfaction

Some people use the terms morale and job satisfaction interchangeably. Although they are related to each other they are different. Morale is related to a group and job satisfaction is related to an individual.

Job satisfaction is the result of various attitudes, the individual holds towards his job, related factors and life in general. On the other hard industrial morale is the composite. expression of the attitudes of the various individuals employed by the company.

Although many members or employees might have job satisfaction, their morale could be low. Job satisfaction is one of the determinants of high morale but the two are different from each other.

Morale and Productivity

It is assumed that morale and productivity go together. That means the higher the morale the higher would be productivity. But this is not true. Morale is one of the important variables of the several variables of productivity High morale. Does affect productivity but high productivity is not, the result of high morale only Productivity is a function of four factor-organizational factors, individual factors, attitudes and morale.

An analysis of two dozen studies on the effects of morale on productivity by Herzberg revealed that in 54% of the studies, high productivity was due o high morale while in 35% studies there was no relationship between morale and productivity. Again in 1l% cases there was high morale bur low productivity. So we find that the relationship between morale and productivity is not simple.

(productivity is improved by morale under certain conditions e.g.)

where creativity and craftsmanship is involved in the job but otherwise it is not necessary that morals will increase productivity Morale is necessary for high productivity and high productivity is a cause of high morale.

Morale and motivation

Morale and motivation are interrelated and inter- dependent. By measuring the morale the management comes to know the level of motivation. That means the level of the worker's motivation is indicated by their the morale. The management tries to keep up the morale of the employees. For this the management tries to motivate the employees by various methods. Various incentives. Financial as well as non financial are given so that they perform their best.

l4.3 Factors Affecting the Morale

It is said That employee morale is high when they are satisfied with Their jobs , supervisor The organization .When the morale is high, good work is done by the employees. But when morale is low, the work suffers. It is the duty of the management to see that the morale of the employees does not become low.

Now, we shall look in to the factors which affect the morale so that the management may pay attention to their factors. These are:

1) Group cohesiveness
2) Goals
3) Progress toward the goals
4) Meaningful tasks
5) Attitude
6) Supervisor
7) Tolerance & freedom
8) Mutual sacrifice
9) Organizational structure
10) Equipment

(1) Group Cohesiveness :

Employees lead a social life on jobs. They socialize with each other, they make friends and enemies and also help each other . In other words they form a number of groups and sub groups. The Management must realize that the groups are very important from the points of view of both the employees as well as the management. A group gives the feeling of togetherness to the employees. In adverse circumstances the members of the group help each other.

The management should recognize these groups. Formal groups are formed by the management in the shape of departments, sections, divisions etc. But the employees form informal groups also. it would be beneficial for the management if it recognizes that these groups will help in building up the morale of the employees.

Thus the management should realize the importance of these groups because of the “feeling of cooperation” or “togetherness: that they help to generate. It should try to form group. Which include the labour and the management. The employees morale would be high when they have a feeling of solidarity, identification and belongingness to a group.

(2) Goals

For keeping. the group cohesive it should have a goal. The Members of the group must know what their goal is. They should Cleary Know why For why they are together. Once the goal is set and it is understood by the members of the group they will know what they have to do and what they have to work. For The goal should not only be understood by the members of the group but they should accept this goal and look upon the goal as attainable. There should be no conflict between the members regarding the final goal.

Advancement, security, increased earnings and individual and group welfare any one or all of these could be the goal. The management should encourage the employees in achieving these goals.

(3) Progress toward the goals:

Once the goal is set and the group starts working. on it. The progress made by the group should be known to it The knowledge of the result will motivate the workers and they will have a high morale

According to Marrow a fed back of the progress toward the goal is important for the formation of morale. Marrow conducted a study in own plant One group of machine operators were told that they have to achieve so much level of production in 14 weeks another group was given the same goal that is the same level of production but they were also required to produce a certain level weekly now the second group performed better because they could know the progress made by them every week. This helped in keeping the morale high and eventually affected the production.

(4) Meaningful tasks:

The employees should have a sense of participation in the group's efforts to achieve the goal. They should fell that they have also participated in the achievement of the goal. The goal set by the management should be such as will benefit the workers also. If the goal is beneficial to the management only and not of the workers. The morale of the workers would be high only when they also benefit from the achievement of the goal.

Now, if the workers are also consulted or they are properly informed about the setting of the goal and they properly informed about setting of the goal and they are likely to derive some benefits then this would be a strong goal. The goal would be of management as well as workers. The morale of the workers will be high.

(5) Attitude:

All- party has emphasized the importance of attitude to morale. If the attitude of workers towards management is favorable, that is positive there would be minimum conflicts and the morale of the workers world be high. But when the attitude of the workers is not favorable that is they have a negative attitude there would be disturbances and confects. The result being their morale would be low.

(6) Supervisor:

The morale of the workers also depends of the type of readership they get- . study conducted by Jenkins in 1947, revealed that the type of leadership determines the morale of the group.

For all practical. purposes the supervisor is the real leader of the workers, as he gets the actual work done from, them. The type of personal contact he builds workers raises or rowers their morale. His behavior and dealings with the workers will determine their morale. When the supervisor shows concern for the workers takes personal interest in them does not criticize them unnecessarily and is not suspicious, he would be able to build high morale in his workers

The supervisor also has his superiors. His relationship with his superiors, the treatment he gets from his superiors will build his own morale. If his relationship with the superiors is good and he is superiors that is they have confidence in him his morale would be high his morale will then affect the morale of his workers also.

The morale of the workers, differ from factory to factory and company to company. This indicates that the supervisor makes breaks the morale.

When the supervisor has a worker oriented attitude he would be better able to raise the morale of his workers than when he has a work oriented attitude.

7) Participation:

Free participation by the workers in achieving the goal, should be encouraged. when the workers feel that their efforts are important in achieving the goal, they will cooperate, and they will be having high morale. When they feel that they would be rewarded for their good work they would be motivated and their moral would rise.

(8) Mutual sacrifice:

When the members of the group feel that the difficulties in their work are shared by all the members and every worker is facing the same difficulty their morale would not be lowered because of the working conditions or difficulties. On the other hand the workers have a feeling that the management is giving privileges or facilities to some workers of the group only and that there is favoritism, the workers who do not get there facilities would feel demoralized.

(9) Organization :

Some Indian studies revealed that in establishments where the organizational structure is rigid and the authority is highly centralized and where more importance is given to procedure than to results for the example. Where reporting is done more thought written messages than through oral contacts there would be pessimism, less participation and as such the speed of performance would be low. As a result the morale of the workers would also be low.

On the other side where the structure is such that there is decentralization of authority and the areas of operations are flexible, result are given more importance than the procedure there is less written reporting and more oral contact the speed of operations would be high and the morale of the workers would be high.

Again where the structure is rigid authority is centralized and the management wants written reporting and also emphasizes upon results and fast speed of work there would be tension in the organization. The result would be low morale.

(10) Equipment :

When the condition of equipment the tools and machines is poor, this would cause grievances, irritability, absenteeism and high turnover. Studies have shown that poor condition of equipment is the cause of low morale of workers. Some studies abroad reveal that these workers who were working on good machines were cooperative and good humored while those workers who were working on poor machines indulged in arguments and they were non co-operative . Some of the workers left the job because of the poor condition of the machines.

14.4 Major indicators of Low Morale.

When we want to know whether the morale of the workers is low we will have to look for the following indicators, which will tell us that the morale of the workers is low.

1. Employee unrest
2. Absenteeism
3. Employee turnover
4. Grievances
5. Need for discipline
6. Fatigue
7. Monotony
8. Productivity

(1) Employee unrest:

When the morale of the workers is low they become restless and dissatisfied 'They show this restlessness in the form of sticks and mass agitations. The workers unrest is mostly due to the feelings of, inadequacy and insecurity. The worker how group unrest in the form of mass movements. But sometimes the individual workers are unrestful and they don't even know this. The result is that they come late or absent themselves frequently change jobs, and they cause disciplinary problems also.

(2) Absenteeism:

Absenteeism and morale are also related to each other to some extent. We cannot say that absenteeism is only due to low morale as there can be other reasons of absenteeism.

There are psychological as well as non psychological factors which cause absenteeism

A study conducted by Vaid on work-behavior and work attitude of workers in Indian industries revealed that chronic absenteeism was related to

(i) the extent of worker's identification with the company.
(ii) integration with work-groups
(iii) satisfaction with supervisors
(iv) belief in the justice of the company.

However some other studies indicate that non psychological factors such as health, poverty, transport difficulty etc. arc the reasons of absenteeism.

(3) Employee Turnover :

The high rate of turnover of employees may be due to low morale. When the morale is low employees tend to change their jobs. But low turnover rate is no indication of high morale. The turnover rate depends on other factors also. But low morale is one of the factors of high rate of employee turnover.

(4) Grievances:

Morale is also indicated by the number of the grievances of employees. when the employees. start complaining more frequently, it is due to their low morale.

These grievances may be real or imaginary. Now, there may be other reasons also for grievances still low morale is one of the reasons.

(5) Need for Discipline:

When the management thinks that there is need for improving the discipline it is an indication of the low morale of workers. when the morale is high the workers would be self-disciplined.

(6) Fatigue

Fatigue is also sometimes due to low morale. Fatigue can be physical as well as psychological. When the morale is low a person feels more fatigue, that is ability to work is reduced.

(7)Monotony:

Monotony of work is generally the basis for low morale. When the job becomes boring to uninteresting, the person doing the job becomes bored and disinterested in the job.

(8) Productivity: We have already dealt with the relationship of morale with productivity .

14.5 Measurement of Morale

Assessment of attitudes and job satisfaction is a method of measuring morale . If you want to measure morale you can do so by assessing the attitudes and job satisfaction. Morale can also be measured by the method. which measures groups and sub groups. This technique is called the Sociometry method and was devised by turned in 1943. In 1947 this technique was modified by Jenkins and he renamed it nominating technique :"He used this technique in studying morale in the navy.

Attitude scales can be used to quantify the "morale" of employee groups' comparisons then can be made from one department to another.

These scales are not useful for knowing the specific factors regarding employee unrest or dissatisfaction. For this information, questionnaires that provide for giving opinions about specific matters such as working conditions, company policies etc. are used. Information regarding morale is collected with the help of surveys. For this different type of questionnaires can be used. These questionnaires can be divided into three groups:

(1) Objective
(2) Descriptive
(3) Projective

Objective type of questionnaire:

In this type of questionnaire both the question and a multiple choices-of answer are given. The employee has only to mark the answer of his choice. Multiple are given in the answer e.g. :"Yes" , "No:" ,"low", High" Moderate", very high:", " very low:", " True' "False" etc.

Descriptive type, of questionnaire:

In this the answer is to be given by the employee or respondent in his own words.

Projective type:

The respondent is given situations and he is asked to comment on these by these comments his morale can be measured in an indirect way.
One of the kind of projective survey is Thematic Apperception Test (T.AT.) Various pictures are given to the respondent and his comments are taken .

There are various other sources which are helpful in measuring the m These are

(1) Reports of counselors
(2) Exit interviews
(3) Accident reports
(4) Training records
(5) Medical records
(6) Suggestion systems
(7) Complaint box systems

1. Expert approach:

When the management finds that the morale of the employees or workers is low, and it wants to know the reasons for that, it may call an expert who makes spot survey. The expert talks with workers, Looks into the working conditions and then gives a report. In the report he gives some suggestions as to what should be done by the management to raise the morale. He may suggest that welfare association should be formed or parties or picnics should be organized, posters should be put on strategic places etc.

2. Industrial spy:

In this method an expert who is not known as expert to the, workers is made b work with the workers. He is actually a spy of the management. while working , he finds out what are their actual problems. He sends a confidential report to the management and things are set right by the management.

The drawback of this method is that when it becomes known to the workers that. this person is a spy their morale will to down further. Again his report may be biased. But when proper cautions are taken this method works.

3. Industrial Counselor Approach:

An expert known as industrial counselor is appointed by their management who helps in increasing the morale of the workers.

The expert talks with the employees and finds out their problems. He acts as between the employees and the management. He encourages group cooperation and tries to improve the management employee relations by bridging the communication gap.

4. Employee problem approach.

This method is the most successful method. In this a problem is placed before a group of workers by the boss or a tainted psychologist. A discussion is done by the group. The leader of the group only guides the group and encourages free and frank discussion. From this a solution is found out for that for that problem. There can be any type of problem. E.g. working hours incentive systems vacation schedules etc. This method helps in raising the morale of the workers.

14.7 Summary

Morale is a mental condition or attitude of individuals and groups which determines their willingness to cooperate. It is a group concept. There are three aspects of morale , feeling that one is accepted by the group, common goal of the group and confidence that the goal is won while. Morale is related to job satisfaction, productivity and motivation .There are various factors which affect morale e.g. cohesiveness of the group ,supervisor . organization ,and many others. By some indicators we can know that the morale of the workers is low e.g. employee unrest, absenteeism, fatigue etc. For the measurement of morale various methods are used e.g. nominating technique, surreys, attitude measurement etc. These are some methods of increasing morale. e.g. expert approach, industrial spy, industrial counselor and employee problem approach. It is the responsibility of management to keep the morale of its employees high.

14.8 Self - assessment Test

Q. l What do you understand by the term :"morale"? How does it differ from job satisfaction and motivation?

Q. 2 Discuss &e various factors which affect morale.

Q. 3 Can morale be measured? If so discuss the different techniques used to measure morale in industry.

14.9 Key - Words

Morale: Refers to team spirit and cooperation of people for a common goal.

Job Satisfaction: It refers to the various attitudes the individual hold; towards his job related factors and life in general.

Motivation: This means influencing persons to act by various methods, so that they work willingly and perform at a higher than normal level.

Goal: It is the objective for which &e members to the group have to work.

14.10 Further Readings

1. Industrial psychology: Gosh & Ghorpade: Himalayan Publishing House

2. Text book of Industrial & organizational psychology: Girish Bala Mohanty Oxford & IBH Publishing co.

UNIT -15
Motivation

OBJECTIVES:

- After going through this unit , you should be able to;
- understand the concept of motivation
- appreciate the objectives of motivation
- lean about the various kinds of motivation
- understand the theories of motivation

STRUCTURE

15.1 INTRODUCTION

Motives are the mainspring of action in people. The leader or the management who wants to instate the employee to attain the goal must hold out promises of reward, when the goals are attained. These rewards fulfill people's needs. Motives simplify action to satisfy a need and motivation can be defined as a willingness to expend energy to achieve a goal or a reward.

If a manager wants his employees to do according to his will, he can get this done either by holding out a reward to them for doing their work in a better or improved way or he can threaten them, through fear or force to do the desired work

Thus, he may utilize the positive incentives such as the gaining of more money and more recognition; or the negative incentives like that of fear of losing the money, job or recognition. Both methods are widely used by the management

15.2 DEFINITION

Motivation:

(1) Motivation is the process

(a) of arousing or initiating behavior ,

(b) of sustaining an activity in progress , and

(c) of channeling activity into a given course. Broadly considered the analysis of motivation must take account of all factors which arouse sustain and direct behavior."P.T. Young

(2) Motivation is defined as "influence, a course that gives rise to behavior." –R Tannehill

(3) Motivation refers the drive and effort to satisfy a want or goal, satisfaction refers to the content, experience need when a want is satisfied in other Words, motivation implies a drive towards on out come and satisfaction involves out comes already experience."

15.3 CONCEPT AND OBJECTIVES OF MOTIVATION

In order to make any managerial decision really meaningful, it is necessary to convert it in to an effective action which the manager accomplishes by motivating his subordinates. To motivate means to produce a goal Oriented behavior. Since increase in productively is the ultimate aim of every industrial organization, motivation of employee at all levels is the most critical and most biffing function of the management. Almost every human problem the manager faces has motivational element. Almost every aspect of personnel function is pervasively endowed with motivational attributes. Accordingly one of the important function of personnel management is "motivating'' or "directing" "Getting organization members to go to work willingly and enthusiastically is a problem that has been one of the key managerial issues.

Characteristics of Motivation

Some of the characteristic features of motivation have been discussed below:

(1) Motivation provides direction to human behavior through necessary guidance and control.

(2) Motivation is complex. Motivation is an unending process and varying motivational techniques have to be planned and implemented by management not only for different individuals but for the same individual over the time. Sometimes the individual himself is unaware of his motivation.

(3) Motivation is a psychological concept which relates to the mental attitude of the employees that impels them to take interest in their work and recognize their responsibilities towards an effective performance.

(4) Motivation enables the executive to take more and better work from their subordinates in a way that helps the achievement of the objectives or goals of an organization or enterprise or of any other organized unit within it. It forms the basis of co-operation in any group efforts.

(5) Motivation differs from satisfaction . The former relates to the drive and efforts to satisfy a want or goal and the latter refer to the contentment. experienced when a want is satisfied – i.e., while "motivation" implies a drive towards an outcome, satisfaction " involves out comes already experienced.

Guidelines of Rules for Motivation:

The motivation process involves four steps or phases Gaining of knowledge about the need of motivation, grouping of motivational techniques, selection and implementation of suitable motivators ,and follow up action; implying that the manager should carefully ensure that the motivation system is functioning effectively or not and determine as to what type of modifications , if any , are necessary .According to M.J" Jucius , the first stage or step of motivation, viz. "sizing up situation require motivation is to ascertain motivational needs and in this stage emphasis must, be laid upon individual differences. The second stage, viz. "Preparing a set of motivating tools" implies that list of specific tools of motivation selected for application must be available to an executive or manager from which choice in particular cases under particular conditions be made. The third stage, viz. " selecting and applying motivational plans , involves :" The appropriate plan, the method of application, the timing and location of applications. The last stage viz. "Feedback is required to determine if an individual has been motivated so that in case motivation has been effective. some other device may be applied.

Programs to motivate Employees :

As we know ,a satisfied need does not provide any incentive to an employee. It is the unsatisfied or the higher needs which motivate an employee to attain the objectives. A number of programs and practice are available to the management through which it may motivate its employees. Most commonly used motivations are:

1. The Pay
2. Job Security or Responsibility
3. Approval or praise / Recognition.
4. Job Design, job Rotation and work flow.
5. Status & Pride
6. Participation
7. Cooperation & Team work
8. Competition

Pay :

Money is no doubt an important factor in the satisfaction of man's physiological as well as social and emotional needs. It is money which satisfies the needs of an employee for the basic necessities of life; the necessities for health and educational; luxuries, social position and power. There-fore, a sound management, also prepares sound policies for compensating the employee.

JOB SECURITY :

By some employees this is regarded as one of the most, important thing to be cherished for. This security may mean that the employee will not be thrown out of the job, unless there is something very serious against him., It may also mean financial security to an employee through health and welfare programs, providing security against sickness, unemployment , disability, old age or other hazards of life.

The employees can be provided for.iob security in two ways; first, the amount of work that must be done is well regularized , through fixing of hours of work; and second, work may be found for the employees ,who have been rendered surplus because of the changes in techniques of production or in the lines of production, or recessionary conditions of production or in the market, or through adoption of rationalization , modernization and promotion practices.

The work Toy be regularized by

(i) Sub Contracting during the peak production period:
(ii) Introducing new products during slack season
(iii) Building for inventory during seasons of low demand:
(iv) Offering special customer inducements during low sale periods : and
(v) Careful planning of production.

To adjust the surplus employees the retrenched ones may be trained in other jobs of similar nature, or they may be transferred to other job requiring similar skill and knowledge or uniform reduction is made in hours of work in all other sister department.

Thus job security develops in an employee "faithfulness & 'loyally for the organization.

PRAISE OR APPROVAL / RECOGNITION

Human nature requires that if an individual performs his work well and most" effectively, he desires some approval from the immediate boss or the fellow workers, A-supervisor who knows this fact definitely brings. about a change in employee’s behavior and he does this not by punishment for the past mistakes, not by threats or fear but by approving the Work done. Recognition satisfies human needs for esteem of others und for self esteem. Hence, the policy to be followed is "give the Devil is due" This recognition may be shown by praise, a Paton the back of the employee or a recommendation for a pay rise -; promotion, or assignment of more interesting tasks. Cash awards or bonus may be offered, prizes may be given in the form-of articles and certificates or by entering the name on the Honor’s Board. Such recognition may also be given for such things as offering good workable suggestion leading to a reduction in time or cost involved or in improving the quality of the product doing valuable services in case of emergencies such as the fire break out or the riot, exceeding sales beyond the set quota and full attendance on the job.

Collective recognition may be provided through award of shields, or a banner, certificate, special privileges Or an actual monitory bonus.

JOB DESIGN/ WORK FLOW :-

Working by an employee on the same repetitive process over and again creates in him Boredom he loses interest in work and this naturally lends go lower production, decreased job Satisfaction and low morale.

The executive, therefore, may enlarge the job into a number of tasks so that he may get interest in it because it adds variety, and requires use of more physical and mental abilities. The same advantages of job enlargement may be enjoyed by what is known as job Rotation. Where in the employee may be periodically shifted from one job to another. So that monotony and boredom could be reduced. Provision of rest periods at regular intervals enables the employee to relieve fatigue and give him an opportunity to talk, smoke or have tea with his fellow workers.

STATUS:

Status means the social rank of a person. As a source of motivation status has both the social and egoistic meaning. A person always seeks and craves for prestige and respect from others. The management in many cases, establishes status distinctions in their organizations e.g. bigger desks with drawers and a soft revolving padded Chair are provided for the manager but ordinary wooden tables with one or no drawers and a cane chair may be provided for a stenographer. In some manager's rooms carpets on the floor and beautiful pictures on the wall and paintings in the entire room with artistic curtains may be supplied. May individual tray hard for attaining a certain status in the society and once it is obtained be craves for a still higher status. Therefore by properly dispensing status symbols as a reward for good performance, management can powerfully motivate many people. Further all persons enjoying the same status in the organization expect to be treated by the management on identical plane and as such are provided same facilities much as those of private lockers, separate cabin chambers, easy chairs, an independent peon. The management should not violate the employee's accepted concepts of what constitutes status.

PRIDE:-

It is a nebulous concept. It is bruit in no Specific manner. Good products, dynamic. leadership, fair treatment, service to community, ethical conduct, and many other things serve to stimulate and employee's pride in his organization. In talking with an employee, one can easily find whether he is proud of the firm to which he belongs, Its absence cannot be easily developed; But its presence is. regarded as powerful and Valuable motivator toward higher productivity.

PARTICIPATION

It means physical and mental involvement of people in an activity. In business personal management this means involvement in decision making. An employee, when he is given a chance to participate in the decision making activities of an organization. He feels his importance and considers himself to be an important part of the management and not more a clog in the machinery. This gives him confidence and satisfies his egoistic needs or creativeness and initiative the management may encourage the employees to help in such areas of decision making as production methods, materials handling, safety measures, cost reduction, employee management relation improvement in working conditions this participation can take many forms. Conductive supervision democratic supervision, labour management cooperation suggestions programme etc.

COOPERATION:-

An organization is a combination of different types of parsons, with different likes and dislikes ,nature, education, training etc. Their cooperation is needed in achieving the goals of an organization. This requires team work and implies social bonds of friendship that bind the members together so that they may cooperate to achieve a common goal.

COMPETITION:-

As a form of motivation competition is widely used in organization. This competition may be in relation to sales, production, safety measures. The competing person, who is adjudged the best is awarded prizes .But this method is fraught with certain drawbacks, since it develops jealousy and hostility among the competing members and the looser may be the victim of frustration and it may even break the teamwork and lower the morale of the employees,

One of the chief preoccupations of the management science movement in industry has been to find ways to motivate employees.-Prof. Chris Argyris says that everybody is already motivated. The problem facing companies is how to channel the motivation in the right direction.

According to Argyris, every individual has": psychological energy:" to expend. Exerting that energy in a way that helps him fulfill his own social and egoistic needs is what motivates an individual. Therefore , provided a company is structured in such a way that an individual is able to meet these self fulfillment' needs, the psychological energy will be used in the company's interests. If the reverse is the case the psychological energy can easily be used to thwart the company's aims.

15.4 SELF - ASSESSMENT TEST

Answer the following:

Which of the following does not apply to Megregore's Theory?

(i) (a) Avoidance of responsibility
(b) People likes to work
(c) People will exercise self – control
(d) People can he committed to group goals,
(e) None of the above

(i) The "Valence. factor motivation refers to
(a) Operant conditioning and behavior modification
(b) The individual's belief of what is likely to occur as a result of his or her behavior.
(c) The strength of an individual's preference for an out come
(d) Herzberg's two- factor theory.

(ii) According to Maslow's hierarchy of needs, the needs at the lower levels tend to be
(a) less powerful than higher-level needs,
(b) Of equal importance with those notice top of the hierarchy.
(c) More powerful than higher- level need
(d) Barely satisfied in most organization.

(iii) Which of the following factors would not be classified as a "hygiene" factor under Frederick Hamburg's factor two sections approach to work motivation.
(a) Salary .:
(b) Recognition

(c) working Conditions
(d) Company policy

(iv) The highest level of needs in the Maslow hierarchy is the need for
(a) Esteem
(b) Self-cartelization
(c) Belongings
(d) Security

15.5 KEY WORDS:

Motive:- "affective-cognitive factor which operates in-determining the direction of an individual's behavior towards an and or goal, consciously apprehended or , unconscious.

Motivation:- "Motivation is a process which governs voluntary beliefs and action tendencies of an individual or a group of individual towards objects, ideas and people.

15.6 RECOMMENDED REFERENCES OR FURTHER READINGS

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UNIT - 16
Psychology of Attitude

Objective:

After studying this unit you should be able to :

- understand the meaning ,nature and sources of attitudes,
- know how they can be changed, and
- learn how they can be measured.

STRUCTURE :

16.1 INTRODUCTION

The behavior of an individual is always the produce of two things: (a) the situation in which he is placed and (b) his personality" The situation acts as the stimulus for the individual which he responds to but the type of response which he gives is determined by-his personality. One important component of an individual's personality is his attitudes. Individuals with different attitudes respond to the same situation differently. Therefore, knowledge of attitudes greatly contributes to an understanding of the reaction of people. employer's actions (such as introduction of a retirement plan, labour-saving devices, safety methods, a new wage plan, a change in job classification and so on) are being interpreted, whether the workers see him as a helper or as a disciplinarian. This manager can know only when he knows about their attitudes towards him. To expect a logical response or one which confirms to the employer's attitudes is to be psychologically naïve. Through the study of employee's attitudes, management can test the effect of its actions and remove the sources of irritation.

16.2 MEANING AND NATURE OF ATTITUDES

The attitude of an individual is his general background of feeling against which he views many factual events, men and things .This background of feeling gives specific meaning to many of his perceptions and determines his opinions. With the change in this background, radical change occurs in the meaning and interpretation of facts. The same objective fact acquires one meaning when it is interpreted in the light of one type of attitude-and another meaning when it is interpreted in the light of another type of attitude. For example the same pay and promotion the policies leadership style and working conditions are considered good by an employee when his attitude toward his company is favorable but are considered poor when his altitude becomes unfavorable. Other words commonly used to describe attitude are mind set, predisposition to form a certain opinion, emotional bias or frame of reference. Sometime the word "mood" is also used but, in general a mood may be regarded is temporary and dependent upon one's physiological conditions such as health, sleep, hunger emotions, etc. Which predispose him to make favorable or unfavorable reactions?

People hold attitudes toward a variety of objects. A specific subset of these attitudes is called job satisfaction. It is the attitude one has toward his or her job. Summation of these individual attitudes denotes the "morale" of a group.

16.3 HAWTHORNE EXPERIMENT & THEIR RELEVANCE TO INDIA

The importance of the attitudes of workers in influencing production was for the first time revealed by the world-famous study usually referred to as the Hawthorne experiment. This study was carried out by Prof. Elton Mayo and his colleagues at the western Electric Company's Hawthorne plant in America from 1927 to 1932. This plant manufactured telephone components and equipment and has 29,000 workers. You should know that this study began only as a small industrial engineering project with the limited object of knowing the impact of different levels of illumination on production. In other words in is-initial phase the study did not aim at knowing the effect of workers, attitudes on production. But as the research progressed, the important role of attitudes come to light and the researchers thought it worthwhile to make deeper probes into this area.

The study can be divided into four phases:

1. Illumination experiments
2. Relay assembly Test Room
3. Interviewing Programme
4. Bank wiring Test Room.

We shall briefly examine these experiment and their results.

1. **Illumination Experiments:** In this initial phase as already told, the objective was to ascertain whether there was any relation between illumination and workers, productivity at the workplace. For this purpose, productivity of a select group of female workers was measured over a period of time at various levels of illumination. It was found that contrary to popular belief there was positive correlation between the two. Illumination had only a marginal effect on productivity.

2. **Relay Assembly Test Room:** The study was not given up at the end of the first phase Researchers felt that there was need for further studies in depth. So, the second phase called the Relay Assembly Test Room Experiment began. This was a more broad based experiment to find the impact of not only illumination but also the length of working day rest periods and their frequency, working conditions and other factors relating to the physical environment on productivity. Six girl operators who were friendly with each other were selected for the experiment. They were separated from the main group and were asked to work in a separated room. the group was under constant observation by a researcher who also acted de

their friend, guide and supervisor. The job of the operators was to assemble telephone relays and continuous record was kelp by the researcher of production and other details during the study period. In quite tile test room, the atmosphere was quite informal -no traditional-close supervision and no restriction by management. The girls were often consulted about the experiment. They were asked to be normal in their working behavior.

During the study period above mentioned physical working conditions were deliberately subjected to several variation (introduction of rest pauses, increase in their frequency, better lighting, shorter working days, etc.) to find whether productivity could be positively influenced under a particular combination of conditions. But regardless of variations in the physical factors, productivity increased consistently over the test period and stabilized at a high level. Surprisingly, all this had occurred spontaneously without the provision of extra pay. more surprisingly, productivity of the girls continued its momcnl.um even after the original working conditions were restored with no rest pauses. longer working days, normal lighting etc. The girls themselves had no clear explanation of why they worked so much faster than they had at first; It was evident that change in their attitudes had occurred. It was hypothesized that this change was possibly the result of the following factors.

(a) The perceived feeling of importance by their girls as result of their participation in consultation with the girls led to a feeling among them that the work was recognized and respected, that they counted for something that management was looking at them as human beings and managements valued their contribution.

(b) Warm informality in the small group and tension - free interpersonal and social relations as a result of relative free.dom from strict supervision and rules. Group cohesion was quite high among the girls.

3. **Interviewing programme:** In order to collect more firsthand information to test the above hypotheses on a wider basis a massive interviewing programme was launched in the third phase to interview more than 20,000 employers at the work place. It was found that employee behavior depended

not only upon the values and attitudes which they brought to their work place but also on their job status in the organization, job requirements, supervisor style, the working conditions and the social relations inside the organization. In particular the interviewing programme brought to light the all pervasive nature of the informal organization - the net work of spontaneous interpersonal relation among organizational personnel -which had its own restrictive productivity norms to which members were forced to conform.

4. **Bank wiring observation room**: This phase involved in-depth observation of 14 employees to determine the effect of informal group norms and formal economic incentives on productivity. It was found that the workers were influenced more by the informal productivity norms of their groups than by the formal productivity norms fixed by their superiors. Inspire of there being in the organization formal productivity norms linked to group incentive wages on piece rate basis ,the group evolved its own norms for each individual worker which were much lower, thereby defeating the incentive system. Workers would produce that much and no more. Groups restrictive production behavior apart from protecting the weaker and slower workers, was also due to the apprehension that if workers reach or exceed the organizational, productivity x norms their piece rate would be cut or standards would be revised upwards or they would soon be rendered surplus and discharged. Those workers who in their "foolishness" tried to be too productive were called rate busters and were isolated, harassed and punished in several ways by the group. Those who were too slow were nicknamed as "chiselers," those who complained to the supervisor against their co-workers were called "squealers".

The study also revealed that workers had their own way of treating their superiors depending on the latter's, position in the hierarchy. Their group chief was treated as one of their own members .There was no question of disobeying him. The superior n the next higher level was treated in a mixed manner disobeying him arguing with him and complying with his orders sometimes. The bosses at still higher levels were treated with outward respect and obedience there was no conformation with them and there was total observance of rules and required behavior, but only while they were present.

Relevance of Hawthorne Studies to India:

There is no doubt that the Hawthorne studies have made a significant contribution to the under-standing of attitudes in determining Harman behavior in organizational situations. Besides being forunners for several subsequent experiments. these studies have proved that the management can increase worker's productivity by changing their attitudes though good-human relations. No gadget, device or method can be a substitute for good Human relations in its effect on workers, attitudes. Good human relations make workers see improvement in working conditions where none has been made; they also see their boss as their true leader. It is argued that increased productivity and high morale of the test employees in the Hawthorne experiments were more due to the employee- oriented behavior of their supervisor than anything else. This conclusion has a very important lesson for our country where the productivity in organizations is abysmally low despite the improvements in employees working conditions and pay . Perhaps the reason is that these improvements alone are not enough to motivate the workers unless their attitudes are also changed by management. by improving human relations and by harmonizing with the informal organizations.

16.4 SUMMARY

Attitudes are the facings an individual has toward some object and these feelings are manifested in this behavior toward the object. Job satisfaction is a specific subset of attitudes held by organization members. It is the attitude one has toward his or her job. Managers should be aware of these attitudes in order to maintain effective human resource system within their organizations. Most large organizations recognize their importance and systematically survey employees altitudes to aid in forming organizational policies and practices.

16.5 SELF - ASSESSMENT TEST

Answer the following questions:

Define attitudes. How are the concepts of job satisfaction and morale allied to the concept of attitude?

1. What are the sources of attitudes?
2. Can attitudes be changed? If so how?
3. Describe Hawthorne experiment and their relevance to India.

16.6 KEY WORDS

Morale: It is esprit de corps or the summation of attitudes of all employees making up a group toward various aspects of their work the job, the company, working conditions, follow workers, supervisors and soon.

Job satisfaction: It is the attitude of an individual employee toward the various aspects of his work.

Cognition. It is any knowledge, belief, attitude or value that a person holds about himself, about his behavior or about his environment.

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Unit-17
Case Laws

A) State of Orissa V Ram Prasad 1985 II LLJ 204 SC
B) Union of India V Tulsi Ram Patel AIR 1985 SC 1416
C) Monogram Mills Ltd. V State of Gujrat 1976 II LLJ 274 SC

Structure:

17.1 Objectives of the study
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A.2 Suspension Pending Enquiry - whether protected under Article 311(1)
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(B) Anicle310 (1), 311(2) and Second Proviso to Articlc3ll (2)of the Constitution.
B.1 Doctrine of pleasure -Article 310(l)
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II. Legislative competence to enact labour welfare legislation

1. Enabling constitutional provisions
2. Test of legislative competence -Rule of 'Pith and substance'
3. Incidental encroachment of impugned state legislation subject matter of entries in list of the Constitution -validity
4. Case in illustration -monogram Mills Ltd. Etc. .v. State of Gujarat 1976 II LIJ (SC) 274

17.4 SUMMARY
17.5 SELF ASSESSMENT TEST
17.6 REFERENCES

17.1 OBJECTIVES OF THF STUDY

The ensuing study is purported to examine the Constitutional provision on regulating Industrial disputes and labour welfare legislation in India. Constitutional powers and limitation- concerning civil servants employed by government owned settled Industrial establishment form the major object of the study. Apart this from second half of the study examines to legislative competence with regard to labour welfare legislation in India.

17.2 METHOD OF SUBJECT APPROACHING THE SUBJECT

The approach is both theoretical as well as case method. Illustrative leading gases dealing with each sub-topic is helpful. Systematic understanding of the subject is to be derived from dividing the topic into major topics as shown in the content section. Further division is made for convenient study of the sub- topics.

17.3 INTRODUCTION:

In India "Labour" is in the "Concurrent List", wherein both the Union and the state legislatures are competent to make laws concerning labour. In case of conflict between the central and state laws the central laws "prevails. The “trade Unions, industrial and labour disputes', social security, social insurance, employment, welfare of labour, provident fund, employer's liability, provident found, workmen's compensation, factories, boiler's etc" are in the concurrent list. However, there are certain matters which are exclusively with the "union list." such as atomic energy, mineral resources and industries are declared by parliament in the union list and for purposes of defense, railways, shipping, ports, airways, posts and telegraph, banks and insurance etc. Similarly in the state list, states are exclusively empowered to legislate the exclusion of centre. The items of state list are forest, trade-unions, welfare of labour, insurance, social security, industries, gas and gas work, agriculture, roads, bridges, ,municipalities etc,. The constitution in the chapters iii and iv guarantees the labour certain basic rights by articles 15, 16, 19,23,24 and articles 39, 39A, 41,43,43A as having a direct bearing in the welfare of the labour. So far as right to control, discipline and punishment of government employees or civil servants are concerned articles 309,310 and 3ll have great legal and constitutional value.

LEGISLATIVE COMPETENCE TO ENACT LABOUR WELFARE LEGISLATION

1. Enabling constitutional provisions: -

Entries 22 and 24 in list III of VII schedule of the Constitution include industrial disputes and labour welfare legislation enabling state legislatures to enact the same. Any impugned legislation challenge on the ground of incompetency of the state legislature must be satisfied by proving that the impugned legislation, firstly forms the subject matter of the entries 22 and or 24 in list III of VII schedule of the Constitution and secondly, that the impugned legislation must constitute, in essence, a measure for the welfare of labour' Entry 22 of list III to the VIIth schedule converse the areas of Trade Unions; industrial and labour disputes; while entry 24 of the same list includes welfare of labour including conditions of work, provident funds, employer's liability, workmen's compensation, invalidity and old age pensions and maternity benefits.

2. Test of legislative competence-Rule of ' pith and substance,

Courts have generally applied the rule of “pith and substance” to test the validity of impugned provision; in order to fall under entries 22 and 24 of list III in VII schedule, must be intended in pith and substance to forestall and prevent industrial disputes and labour dispute and must constitute also in essence a measure for the welfare of the labour. (Monogram mills v state of Gujarat 1976 ILJ 274 (SC). The doctrine of pith and substance means that if an enactment substantially falls within the powers expressly conferred by the constitution upon the legislature which enacted it. It cannot be held invalid merely because it incidentally encroaches on matters assigned to another legislature (Rama Krishana .v. Municipal Committee (1950) S.C.R. 15 (25).

3. Incidental encroachment of impugned state legislation on subject matter of entries in List I of the Constitution - validity

As noted above, under the doctrine of 'pith and substance incidental encroachment of impugned state legislation into territory of another legislature would not invalidate the impugned legislation. The extent of' encroachment is to be determined not by degree but by substance. Once the "pith and substance" of the legislation is determined and is found to be within the powers of the state legislature, the extent of encroachment into other territory cannot invalidate the law (Chaturbhai .v. Union of India , A. 1960 SC 424).

For the effective functioning bf any Establishment, there must be a collective sense of responsibility. Both the employer, as well as the employee must be in a position to exercise their rights and duties towards better productivity and results, in a service. An employee in civil service must discharge his duties faithfully and conscientiously, which would in turn give him a feeling of, "Security of Tenures’ at the same time Employers should retain their right to take disciplinary action in case of misconduct or other wrongs on part of the employee. Under industrial law such disciplinary authorities have to take into consideration the principles of social justice and must act in a bonafide manner. Such abridgment of absolute right to 'hire and fire ' in the hands of an employer, in the case of civil services is to be found in A- 3l I (2) of the constitution of India. This is by way of exception to A-310(1) of the Constitution of India wherein under the Doctrine of pleasure' the civil servant is employed or removed at the pleasure of the government (President or Governor as the case may be) which is the employer in such case, The pleasure doctrine along with the limitation as found in A-312(2) are designed in the public interest ,to ensures security of tenure to civil servant, on the one hand , and to remove dishonest or corrupt government servants in certain cases as provided in second proviso to A- 311(2) of the Constitution. The various misconducts which would go against Security of Tenure;' to a civil servant, authorities who can take disciplinary action, rules and provisions governing civil services form the subject matter of study.

Note

Articles 310 and 311 apply to civil servants employed by the Industrial establishments of the slate, notwithstanding the fact that they are workmen as defined under section 2(s) of the Industrial Disputes Act. Therefore, rules regulating. the conditions of service framed by the President or the governor , as the case may be, in exercise of power conferred under the Constitution, unless example , prevail over the provisions of Indusial Disputes Act-

It should be remembered that labour under Govt. is of two categories

(i) holding civil posts in the Central or State Govt.

(ii) employed in industrial establishments owned controlled by the Govt. Central or State.

I. POWERS OF DISCIPLINARY AUTHOBITIES .EXTENT AND PURRORT CONSTITUTION

(A) Article 311(1) Of the Constitution-when Attracted

A(1) Protection provided to civil servants under Article 311(1)- Article 311(l) of the Constitution gives protection to persons who come within the Article, against dismissal or removal by an authority subordinate to that by which they were appointed (P.I. Dhingra.v. Union of India, AIR 1958 SC 36). Person covered under Article 3l1(1) must be a member of a civil service of the union or an all India Service of a state or hold a civil post under the Union or a State , or else he cannot, get protection of Article 3ll.(Sham Lal .v. Director, Military Farms, AIR 1968 Punj 312).

A(2) Suspension pending enquiry –whether protected under article 311(l):-kinds of misconduct protected under Article 311(l) are only those of dismissal or removal , suspension pending enquiry does not amount to dismissal or removal . As such , in cases of suspension of clause (1) of Article 3l1 are not attracted and no protection is possible under the said clause" (Mohd Ghouse .v. state of Andhra 1957 SCR 411).

A(3) Suspension by an authority other than the appointing authority: validity:- Two things are to be cleared Firstly, as noted above, on order of suspension against the civil servant docs not amount to dismissal or removal. During suspension, the person continues to be a civil servant" As such the prohibition on a subordinate authority to issue disciplinary orders, under 311(1) will not be applicable to suspension orders. Additionally, such suspension orders may be validity passed by an authority other than the appointing authority' to which it is subordinate or an authority specially empowered by the government on its behalf to suspend a evil servant. . an order passed by any other authority will be illegal (Aswathanarayana "v. Deputy Commissioner, 1974 (1) KAR LJSN p. 18).

A(4) Subordination of disciplinary authorities-whether required to exist at the time of disciplinary action .The mere fact that the post of appointing authority has ceased to exist and an officer lower in rank is therefore exercising the power of dismissal ,it does not. remove the fact that there is no existing subordination. This will Not take away the Constitutional guarantee provided under Articles 3211(l). In such circumstances , the order of dismissal must, be passed by an officer of superior rank than of the post of the appointing authority which has ceased to exist at time of dismissal (State of H.:P" .v. Sardul Singh SLR 1970 SC l01).

(A)Case Law
State of Orissa v Ram Prasad l985 II ILJ 204(SC)

Judges : Mr. Justice D.A. Desai. Mr. Js. A. P. Sen., Mr. Js. V.B. Eradi

Sri Ram Prasad who came in the category of Government servant was suspended pending enquiry during February 1969, by the District Forest Officer. The District Forest Officer was subordinate to the Conservator of Forces who was the appointing authority of Ram Prasad who was the appointed on 17 July 1952. Such suspension order was challenged as being violation of A-311(1) of the constitution High court decided in favor of government servant that the a suspension order attracted the provisions of A-311 of. The Constitution and thus was invalid. The matter came up to the Supreme Court. Allowing the appeal two major points were laid down by the Supreme Court. As per Balakrishna Eradi J an order of suspension passed against a government servant pending disciplinary enquiry is neither one of dismissal nor of removal from service within article 311 of the constitution. This position is clearly laid down in Mohammed Ghouse .v. state of Andhra (1957 SCR 414). It is unfortunate that this decision was not brought to the notice of the learned judges of the High Court. Clause (1) of Article 311 will get attracted only when a person who is a member of a civil service of' the Union or an All India service or a Civil Service of a State or one who holds a civil post under the Union or State is ; "dismissed;" or removed from service. The provisions of the said clause have no application whatever to a situation where a government servant has been merely placed under suspension Pending departmental enquiry since such action does not constitute either dismissal or removal from service . The High Court was therefore manifestly in error in quashing the order of suspension passed against the respondent on the ground that it was violation of clause (1) of Article 311 of the Constitution.

The court further clarified that the High Court was perfectly right in rejecting further contention advanced before it by the respondent (civil servant) that the impugned action had been taken in violation of the provision of Rule 12 of the Orissa civil service Rules l962, applicable to the employment and condition of service in this case. Rule 12 of the said Rules lies down that the appointing authority or any authority to which it is subordinate or any authority empowered by the Governor or the appointing authority on its behalf may place a government servant under suspension, where a disciplinary proceeding against him is either contemplated or pending. The court stated that it was clear that on the date on which the impugned order of suspension was passed, the District Forest, Officer under whom the respondent was working in the Ghumsur North Division, was fully competent to pass the impugned order of suspension.

B. ARTICLE 310 (1), 311(2) AND SECOND PROVISO TO ARTICLE 311(2) OF THE CONSTITUTION

B (l) Doctrine of pleasure - Article 310 (l) :- The Doctrine of Pleasure incorporated in the Indian. Constitution vide Article 310(l) is based on the English Common Law Rule" In India under the Doctrine of Pleasure , a public servant holds a civil office during the Pleasure of the President or the governor as he holds the office under the union or the State (Union territory .v. Gopal Chandra AIR 1963 SC 601). The principle of Natural Justice as embodied in Article 3l l(2) and principle of public policy act as a check on the pleasure doctrine and arc thus exceptions to Article 310(l).

B(2) Exception to Article 310 (1)-Right to be heard under Article311(2) :- Article 311(2) provides fiat no person (as in 311 (1) shall be dismissed or removed or reduced in rank except after an inquiry in which he has been informed of the charges against him and. given a reasonable opportunity of being heard in respect of those charges. Hence, the right to be heard, given to a government servant makes it incumbent the disciplinary authority to follow the principles of Natural justice in following the procedural formalities as required under Article 311(2). Also the opening words of Article 310(1), "Except as expressly provided by this Constitution" make it clear that he doctrine of pleasure found therein is subject to expressive provision to the contrary in the Constitution. Such exception is found in Article 311 (2) wherein, before being dismissed, removed or reduced in rank, a government servant must be heard. In other words tenure of his office is not merely at the pleasure of the President or Governor as the case may be. This ' Security of Tenure' to civil servants allows a civil servant to discharge his duties faithfully and conscientiously and be faithful to the Constitution and the laws. (Union of India Tulsi Ram Patel, AIR 1985 SC 1416).

Exclusion of principles of Natural Justice
Second proviso to Article 311(2)

By way of prohibition, exception have been created o Article 311(2) and the principles of Natural Justice have been excluded in cases as arising under second proviso to Article 311(2). under such proviso the right of being heard, or holding of enquiry is unnecessary in cases where (l) conduct leading to dismissal, removal or reduction in rank has already led o prior conviction on criminal charges; or (2) where the disciplinary authority empowered to dismiss, remove or reduce the civil servant in rank is satisfied that for some reason, to be recorded by the authority in writing. it is reasonably not practicable o hold such enquiry : or (3) where the President or the Governor ., as the case may be is satisfied that it is inexpedient in the interest of the security of the state , to hold such an enquiry.

The Key words in the above mentioned viz.
"This clause shall not apply" are mandatory and are in the nature of Constitutional prohibitory injunction restraining the disciplinary authority from holding an enquiry where one of the three clauses of the second proviso (as above) becomes applicable. (Union of India .v. Tulsi Ram Patel (1985) 3 SCC 398). The object the object of such proviso is again public interest and public good, in order to discipline or remove such civil servants who are corrupt, dishonest or have otherwise become a security risk to the office of employment.

(B) Case law
Union of India v. Tulsi Ram Patel 1985 3 SCC 398, AIR 1985 SC 1416

Judges : Y.V. Chandrachud C.J., V.D. Tulzapurkar J. R.S. Pathak J.D.P. Madon, J.M.P. Thakker

The respondents in the appeals and the petitioners were Government servant who were dismissed, removed or compulsorily retired from service by way of punishment by involving the provisions of second proviso o Article 311(2) of the

Constitution and/or the relevant Rules made under Article 309 the Validity of such orders was challenged, only on legal ground; their main grounds being based upon the decision in divisional personal officer,. Southern Railway .v. T.R. Challappan (1976)3SCC I90 and the application of principles of natural justice. The supreme court, by a 4:1 majority, party overruled the judgment in Challappan case and held that natural justice principles of the second proviso and the punishment under that proviso will have to be imposed by the concerned authority, exparte accordingly, the court allowed the appeals of the Union of India and dismissed the writ petitions and transfer cases of the aggrieved Government servants.

Held Per Majority

When a situation as envisaged in one of the three clauses of the second proviso to Article311 (2) arises and the relevant clar.rse is properly applied and the disciplinary enquiry dispensed with the concerned government servant cannot be head to complain that he is deprived his livelihood. The livelihood of an individual is a matter of great concern o him and his family but his livelihood is a matter of his private interest and where such livelihood is in the public interest and for public good, the former must yield to the latter.

The disciplinary authority should record in writing its reason for its satisfaction that it was not reasonably practicable to hold the inquiry contemplated by Articles 311(2). This is a constitutional obligation and if such reason is not recorded in writing, the order dispensing with the inquiry and the order of penalty following thereupon would both be void and unconstitutional

The recording in writing, of the reason for dispensing with the inquiry, must precede the order imposing the penalty. The reason for dispensing with the inquiry need not therefore, find a place in the final order though it would be better to do so in order to avoid the allegation that the reason was not recorded in writing before passing the final order but was subsequently fabricated the reason need not contain detailed particulars, but must not be vague or just a repetition of the language of clause (b) of the second proviso. Sometimes a situation may be such that it is not reasonably practicable –to give detailed reasons for dispensing with the inquiry. This would not however per se, invalidate the order. Each case must be judged on its own, merits and in the light of its own facts and circumstances.

There is obligation to communicate the reason to the government servant thought would be better for the disciplinary authority to communicate its reason in order to eliminate the possibility of an allegation that the reasons have been subsequently fabricated and also to enable the government servant(s) to approach the high court under Article 226 or, in a fit case , to the Supreme Court under Article 32 if the reasons are not communicated to the government. servant and the matter comes to the Court, the Court can direct the reasons to be produced, and furnished to the government servant and if still not produced ,a presumption should be drawn that the reasons were not, recorded in writing and the impugned order would then stand invalidated. Such presumption can however, be rebutted by a satisfactory explanation for the non- production of the written reasons.

Out "of law and order", "public order", and "security" of the state the situations which affect "security of the state" are the gravest. Danger to the security of the state may arise from without or within the state. The expression "security of the state" includes the security of a part of the state also. It also cannot be confined to an armed rebellion or revolt. There are various ways in which security of the state can be affected. Ii can be affected by state secrets or information relating to defense production, or similar matters, being passed on to other countries, whether inimical or friendly to our country, or by secret links with terrorists. The way in which security of the state is affected may he either open or clandestine. Amongst the more obvious acts which affect the security of the state would be disaffection in the armed forces or Para military forces. In this respect, the Police Force stands very much on the same footing as a military or a Para military force.

It is the tenure of governments servants which Article 310(I) makes subject to the pleasure of the President or the Governor of a state, except as expressly provided by the Constitution. "Tenure" means the period for which an incumbent of office holds it.

(Per majority (Thakkar, J. Dissenting)

The pleasure doctrine is founded on the principle that the difficulty which would otherwise be experienced in dismissing those whose continuance in office is detrimental to the State would be such as seriously to impede the working of the public service. It is not nor a special prerogative of the British Crown inherited by India and transposed into our Constitution. The public is vitally interested in the efficiency and integrity of civil services as the government; servants are paid from the public exchequer and are charged with public administration for public good. Therefore they must, in turn bring to the discharge of their duties a sense of responsibility. It is as much in public interest and for public good that the government servants who are in efficient, dishonest or corrupt or have become a security risk should not continue in service and that the protection afforded to them by the act and Rules made under Article 309 and by Article 311 be not abused by them to the detriment of public interest and public good.

Unlike in the U.K., in India the pleasure doctrine in Article 310(1) is not subject to any law made by the Parliament but is subject only to what is expressly provided by the Constitution. Therefore, the only fatter which is placed on the exercise of such pleasure is when there is an express provision in that behalf in the Construction, for example ,in the case of certain constitutional functionaries in respect of whose tenure special provision is made in the constitution (e.g. Article 124(1) and (5) ,148(l) ,218,321(l) and (5) . Clauses (1) and (2) of Article 311 impose restrictions upon the exercise by the President or the Governor of a State of his pleasure under Article 310(1). These are express provisions with respect to termination of service by dismissal or removal as also with respect to reduction in rank of a civil servant and does come within the ambit of the expression "Except as otherwise provided by this constitution; qualifying Article 310(1).Article 311 is thus an exception to article 310 and operates as a proviso o Article 310(l) through Article 309 is not such an exception.

(C) Case Law

Monogram Mills Ltd, Etc .V. state of Gujarat 1976 II ILJ 274 (S.C)

Judges:- H.R. Khanna V.R. Krishana Iyer, P.K. Goswami JJ.

The state of Gujarat had issued a notification on 17th December, 1973 calling upon the textile mills in the state to constitute joint management councils as per Bombay industrial Relations act 1964. These mills filed writ petitions in the high court challenging the SS. 53A and 53 B and the rules as well as the notification. Since the high court rejected their contention, there mills have come up on appeal to the Supreme Court.

Although a number of contentions were raised in the high court in the Supreme Court only the legislative was argued.

Per Khanna J: The Principal act was enacted to regulate the relations of employers and employees to make provisions for settlement of Industrial disputes and certain other purpose.

SS. 53A and 53B were inserted in the principal act by Gujarat act 21 of 1972. The two sections read as under

"53A (1) if in respect of any industry the state government is of opinion that it is desirable in public interest to take action under this section, it may, in the case of all undertakings or any class of undertakings in such industry in which 500 or more employees are employed or have been employed on any day in preceding twelve months by general or special order require the employer to constitute in the prescribed manner and within the prescribed time limit a joint management council, consisting of such number of members as may be prescribed comprised of representatives of employers and employees engaged in the undertaking so however that the number of representatives of the employees on the council shall not be less than the number of representatives of the employers, not withstanding anything contained in this Act the representative of the employees on the council shall be elected in the prescribed manner by the employees engaged in the undertaking from amongst themselves.

Provided that a list of industries in respect of which no order is issued under this sub section shall be laid by the state legislature within thirty days from the commencement of its first session of each year.

(2) One of the members of the council shall be appointed as chairman in accordance with rules made in this behalf.

53B (1). The council shall be charged with the general duty to promote and assist in the management of the undertaking in a more efficient ' orderly and economical manner, and for that purpose and without prejudice to the generality of the foregoing provision, it shall be the duty of the council –

(a) to promote cordial relations between the employer and employees;
(b) to build up understanding and trust between them;
(c) to promote measures which lead to substantial increase in productivity;
(d) to secure better administration of welfare measures and adequate safety measures:
(e) to train the employees in understanding the responsibilities of management of the undertaking and in sharing such responsibilities to the extent considered feasible; and
(f) to do such other things as may be prescribed.

(2) The Council shall be consulted by the employer on all matters relating to the management of the undertaking specified in Sub s (1) and it shall. be the duty of the council to advise the employer on any matter so referred to it.

(3) The Council shall be entrusted by the employer with such administrative functions, appearing to be connected with, or relevant lo , the discharge by the council of its duties under this section , It may be prescribed.

(4) It shall be the duty of the employer to furnish to the council necessary information relating to such mau.ers as may be prescribed for the purpose of enabling it to discharge its duties under this Act.

(5) The Council shall follow such procedure in the discharge of its duties as may be prescribed.

Impugned notification dated December l7, 1973 reads as under:-

Now, therefore in exercise of the powers conferred by sub-section (l) of the said S. 53A, the Government of Gujarat here by requires the employer of each such undertaking in the said industry to constitute a joint management council in the manner and within the time limit specified in Rule 6IAQ of the Bombay Industrial Relations (Gujarat) Rules' 1961.

(5) Entries 22 and24 of List III in Seventh Schedule to the Constitution, the High Court has held that the subject matter of the above legislation was labour welfare even though it might have some incidental effect on corporation undertakings or controlled industries.

(6) Sections 53A and 53B , as already mentioned , were inserted in than principal Act by Gujarat Act, No. 2l of 1972 . This Act was published on October 19, 1972 after it had received the assent of the President. According to the respondents, the above provisions have been enacted under entries 22 and 24 of List III of the Seventh Schedule to the Constitution. Entry 22relates to trade unions: industrial and labour disputes while entry 24 deals with “welfare of labour including conditions of work provident funds, employers, liability, and workmen’s compensation. invalidity and old age pension, and maternity benefits," As against that ,the contentions advanced on behalf of the appellants is that the impugned legislation falls under entries 43,44, and 52 of List I in the Seventh Schedule which relate respectively to incorporation, regulation and winding up of trading Corporations including banking, insurance and financial corporation’s but not including co-operative societies " "incorporation, regulation and winding up of corporations whether trading or not , with objects not confined to one State , but not including universities" and Industries, the control of which by the Union is declared by Parliament by law to be expedient in the public interest.

(7) We have given the matter our earnest consideration, and we find no sufficient ground to interfere with the findings of the High court that the impugned shrur.ory provisions fall under entries 22 and 24 of List III in Seventh Schedule of the constitution and that the state Legislature was competent to enact the same. The impugned provisions, in our opinion, are intended, in pith and substance, to forestall and prevent industrial and labour disputes. They constitute also, in essence, a measure for the welfare of the labour.

(8) It has not been disputed on behalf of the appellants that the various objectives mentioned in s. (a) to (f) of sub-s (1) of section 53B pertain to welfare of labour what is, however, contended is that joint management councils may claim to exercise Such functions under the opening words of sub. s. (1) of s. 538 as can be discharged only by the Board of Directors. This contention, in our opinion, is not well founded. The impugned statutory provisions, in our opinion, should be so construed and implemented as would sustain their constitutional validity. The functions which can be performed by such joint management councils have o be of such a character as would pertain to welfare of labour or prevent industrial disputes such functions would be analogous to those specified in Cls. (a) to (f). If the impugned legislation in pith and substance relates o subjects which are within the competence of the state legislature as it infect does, the fact that there is an incidental encroachment on matter which are the subject matter of entries in List I would not affect the legislative competence of the state Legislature to pass the impugned legislation The impugned rules, in our opinion likewise, relate to subjects which are within the competence of the state Legislature. The rules in the very nature of things can operate only in that field in which the parent Act can operate.

I7.4 SUMMARY

In this unit we have discussed Constitutional provisions governing the conditions of service of civil services in India. The security of tenure afforded o a civil servant under A-31I of the Constitution improves and ensures better service and efficiency in service undertakings. .A civil servant is able to perform his duties conscientiously and is faithful o the Constitution. On the other hand the doctrine of pleasure under A-310 (l) of the constitution and the second proviso to A- 311 (2) of the Constitution gives powers o disciplinary authorities to discipline or remove dishonest or corrupt government servants , thereby providing the right b hire and fire civil servants, provided such actions are carried out in a bonafide manner.

Further the Constitutional provisions enabling state legislatures to enact labour welfare legislation have been discussed. The doctrine of pith and substance has been explained in detail in the illustrative case at the end of the relevant sub-topic.

17.5 SELF ASSESSMENT TEST

Answer the following question in not more than two pages to assess tour understanding of the subject.

1. Distinguish between suspension pending enquiry and dismissal or removal

2. Discuss various instances where principles of Natural justice have been excluded under 2nd proviso to A-31I (2) of the Constitution.

3. What is the doctrine of pleasure and "security of tenure'; Discuss how the two have been balanced in the Constitutional frame work.

4. What is the test of validly of a state legislation enacted for labour welfare? Explain with a model illustration.

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