CHAPTER:-3.
THEORETICAL FRAMEWORK
OF PERSONNEL POLICIES

CONTENTS:-

CHAPTER-3

THEORETICAL FRAMEWORK OF PERSONNEL POLICIES

Introduction:-

An organization, whether a business or an industrial enterprise, needs for its growth, further development, continuance and survival, for this, four things are important that are money, material, machinery and men. There combination of these four factors is important for the success of organization. However the management of men is most important factor. The managing people are the challenging job because of the dynamic nature of people. No two persons are same in capacity, behaviour, etc. In case of group it increases. They are responsive; they can not operate like a machine. There fore the tactful handling is important. This is possible with the help of personal management.

Personnel management is challenging task. The importance of personnel management is being increasingly realized in industrial and non- industrial organizations. It is important to handle manpower properly for the success of organization. A business can not succeed if human element is neglected. Now a day's organization tried to develop their skills and motivate them to high levels of performance to achieve organizational objective. However, organizations have realized that human resources are more valuable than

other resources and their proper management can help the organizations to maximize the utilization of other resources. Ultimately organization growth and survival inter related with it.

Definition of Personnel Management:-

In the words of Pigors, p. and Myers "personnel management is a method of developing potentialities of employees so that they get maximum satisfaction out of their work and give their best effort's to the organization".1

Another definition is "Personnel management is that part of management which is concerned with the people at work and with their relationship within an enterprise".2

Concept of Personnel Policies:-

The term 'policy' means 'a plan of action'. It is a pre-determined course of action. It is established to guide the performance of work toward the organization objectives. According to Calhoun, "Personnel policies constitute guides to action. They furnish the general standards or bases on which decisions are reached. Their genesis lies in an organizations values, philosophy, concepts and principles".3

According to Bambrick, James B, "Policies are statements of the organizations over- all purposes and its objectives in the carious areas with which its operations are concerned-personnel, finance, production, marketing and so on".4

To guide the subordinate staff the policies are establishes. They establish the framework of guiding principles that facilitate delegation to lower levels and permit individual managers to select appropriate tactics or programmes. Personnel policies are those that individuals have developed to keep them on the track towards their objectives. The management policies are developed by working organizations to keep them on course headed and directed toward their organizational objectives. These define the intentions of the organization and serve as guidelines to give consistency and continuity to total operations.

Thus, personnel policies refer to principles and rules of conduct which "formulate, redefine, break into details and decide a number of actions that govern the relationship with employees.

A personnel policy should have two types of **objectives** that general and specific.

(1) The statement of general objectives should express the top management's basic philosophy of human resources. It reflects its deep under tying convictions as to the importance of people. The management must formulate and develop a basic creed, which contain a clear cut statement of the company's general objectives of the personnel management's major responsibility.

(2) The statement of specific objective should refer to the various activities of personnel administration connected with staffing,   training,   developing,   wage   and   salary

administration, motivation, employee services and benefits, employee records, labour relations and personnel research.

Many organizations of all types have never created a set of personnel policies. Top management has never been sufficiently aware of the hazards of operating without them and nor of the advantages to be gained from establishing a sound group of policies. Why should an organization have clearly established policies?

The **need of personnel policies** clears from the following points.5

(1) The basic need and requirements of both an organization and its employees require deep thought. The management is required to examine its basic convictions as well as give full consideration to practices in other organizations.

(2) Established policies ensure consistent treatment of all personnel throughout an organization. Favoritism and discrimination are thereby minimized.

(3) A certainty of action is assured even though the top management personnel may change. The tenure of the office of any manager is finite and limited; but the organization continues and this continuity of policies primates stability in an organization.

(4) Because they specify routes towards selected goals, policies serve as standards or measuring yards for evaluating performance. The actual results can be compared with the policies to determine how well the members of an organization have lived up to their

professed intentions.

(5) Sound policies help to build employee enthusiasm and loyalty. This is specially true when they reflect established principles of fair play and justice and when they help people to grow within an organization.

(6) They set patterns of behaviour and permit participants to plan with a greater degree of confidence.

(7) Policies are "control guides for delegated decision making". They sack to ensure consistency and uniformity in decisions on problems "That recur frequently and under similar, but not identical, circumstances".

In designing personnel policies, the management must balance the needs, goals, objectives and values of both the employer and the employees. The policies are based on various principles. The principle ensures that the equity and justice are accorded to all employees; that adequate wage and salary, etc.

The policies varying two groups, major and minor, the major policies included over- all objectives, procedures control which affect on organization as a whole. It covers all phases of enterprise like methods of financing, organizational structure, plant location, its marketing and personnel. These policies are formulated by the board of directors.

On the other hand, minor policies, covers relationships in a segment of an organization, with considerable emphasis on details and procedures. Such policies are the outgrowth of major policies and preserve their unity of purpose.

The norms of personnel policy are varied from industry to industry. It also varied because of management structure, economic and social conditions, and attitudes of top management. They vary due to changes in public opinion, area and regional traditions, customs and practices, the country's industrial system, the influence of trade unions, etc. In other words, the policies are cover wide variety of items and is broad- based. However, it is difficult to any organization to cover all factors because new issues are comes again and again. But reality is that no organization perform with the policies."Should personnel policies be in writing?" Someone has said that on idea does not exist unless it can be put in writing. A policy, conceived as a management tool, also does not exist unless it is in writing. Therefore, it should be written in words which are neither vague not offensive. The words, sentences and paragraphs used should be short. The statement of policy should be complete and precise. It should not contain irritating words, or expressions which antagonize some. There are various advantages of written policies. The first is, the writing policy makes a commitment on the part of an organization. The second is, it ensures uniformity of applications and minimizes favoritism. It assures continuity of action. The third is, it earns loyalty and builds enthusiasm among the members. The fourth advantage is, it limits the freedom of action. The fifth is, writing helps to ensure that the professed policies are 'right' for an organization tries to put

31

its best foot forward. Finally, written policies provide something concrete on which to base an appeal.

Features of Sound Personnel Policies:-

The main features of good personnel policies are 6

. The statement of any policy should be definite, positive, clear and easily understood by everyone in the organization so that what it proposes to achieve is evident.

- It should be written in order to preserve it against loss to stimulate careful consideration before its formulation and to prevent the promulgation of numerous, differing and temporary oral policies from multiple sources.

- It must be reasonably stable but not rigid, it should be periodically reviewed. Evaluated, assessed and revised and should. Therefore, be tune with the challenge of changes in the environment and should hare a built in resilience for adjustment from time to time.

- It must be supplementary to the over- all policy of an organization, for if departmental policy is made such as to come into conflict and violate the company policy, it would be tantamount to insubordination. Peter Drucker has observed. "The policies of an enterprise have to be balanced with the kind reputation an enterprise wants to build up with special reference to the social and human needs, objectives and values."

- It should indicate that the management knows that workers prefer to deal with the management on an individual basis.
- It should be formulated with due regard for the interests of all the concerned parties- the employers, the employees and the public.
- It should be the result of a careful analysis of all the available facts.
- It must provide a two way communication system between the management and the employees so that the latter are kept informed of the latest developments in the organization and the employers are aware of the actions and reactions of the employees on particular issues.
- It should be consistent with public policy, I. e, with the spirit rather than the letter of the law, so that the intentions and settled course of an organization are appreciated in terms of public opinion from the stand-point of national, economic and social justice for the employees and for the community at large:
- It should be generally known to all interested parties.
- It must have not only the support of the management but the co- operation of employees at the shop floor level and in the office.
- Before evolving such a policy, trade unions should be consulted in matters of industrial relations; and the role of trade unions should be restricted only to this area.

- It should be progressive and enlightened, and must be consistent with professional practice and philosophy.

- It must make a measurable impact, which can be evaluated and qualified for the guidance of all concerned, especially in the field of the three Rs of personnel management, WZ, recruitment, retainment, and retirement.

- It should be uniform throughout the organization, though, in the light of local variations slight variations may be permitted in specific policies relating to staffing, compensation, benefits and services.

- It should have a sound base in appropriate theory and should be trustable into practices, terms and peculiarities of every department of an enterprise.

- Except in rare cases, policies should not prescribe detailed procedures.

  According to Calhoun, such a policy, being a guide for management decisions, should include these features.

  (a)It should affirm the long- range purpose of personnel relations. At best; such purposes are derived from well thought- out principles of philosophy, sociology and ethics. Thus, they reflect mature social principles or ideals in human relations.

  (b)It commits management representatives at all levels to a reaffirmation and reinforcement of this purpose in their daily decisions and behaviour.

(c)It indicates the scope for discretion when a long term purpose is interpreted in a variety of specific situations and over a period of time.

Some important personnel policies related with following factors discussed as under.

(1) Recruitment and Selection

(2) Placement

(3) Training and Development

(4) Promotion and Transfer

(5) Wage and Salary Administration

(6) Employee Benefits and Services

(7) Working Conditions.

RECRUITMENT AND SELECTION

RECRUITMENT:-

Meaning, Defination and Objectives:-

Recruitment is the most important policy of personnel administration. It is a process of searching for prospective employees and encouraging them to apply for jobs in an organization. it stimulates people to apply for jobs to increase the number of applicants.

Thus,

"Recruitment is a process of getting potential employees willing to apply for a job/ jobs into an organization".7

Its aim is to develop and maintain adequate manpower resources. The organization can have additional employees.

In the broader sense recruitment policy involves following principles –

(1) To find and employ the best qualified person for each job.

(2) To retain the best and most promising of those tired.

(3) To offer promising opportunities for life – time working caress.

(4) To provide programmes and facilities for personal growth on the job.

Sources of Recruitment:-

There are two types of sources of recruitment that are internal source and external source.

Internal sources:-

Internal sources are the most obvious sources. These include personnel already on the pay-roll of an organization. Whenever any vacancy occurs, somebody from within the organization is upgraded, transferred, promoted or sometimes demoted. This source also includes personnel who were once on the pay-roll of the company but who plan to return or whom the company would like to re-hire, such as those on leave of absence, those who quit voluntarily or those on production lay- offs.

External sources:-

These sources lie outside the organization. These include-

(1) New entrants to the labour force i.e., young, mostly inexperienced potential employees - the college students.

(2) The unemployed - with a wide range of skills and abilities.

(3) Retired experienced persons such as mechanics, machinists, welders, accountants.

(4) Others not in the labour force, such as married women.

Methods of Recruitment:-

There are eight methods of recruitment.

(1) Advt.

(2) Private employment agencies.

(3) State or public employment agencies.

(4) Schools, colleges and professional associations.

(5) Friends and relatives.

(6) Trade Unions.

(7) Casual Labour source.

(8) Recommendation of management.

These methods are explained as under.

(1) Advertisements:-

Advertisements in newspapers, trade journals and magazines are the most frequently used method. Senior posts are largely filled by this method. The classified advertisement section of a daily newspaper or the Sunday

weekly editions of various newspapers carry advertisements for all types of positions. Such advts enable prospective candidates to screen themselves in order to find out whether they are fit for the job for which the advt has been issued. In order to be successful, an advt. should be carefully written. It provides specific information on job requirements and opportunities for advancement. Advertising is very effective source of recruitment.

(2) Private Employment Agencies:-

This is another important method of recruitment. These agencies charge a small fee from an applicant. They specialize in specific occupations. These private agencies are brokers who bring employers and employees together. The specialization of these agencies enhances their capacity to interpret the needs of their clients, to seek out particular types of persons and to develop proficiency in recognizing the talent of specialized personnel.

(3) State or public employment agencies:-

The state or public employment agencies are also known as employment exchanges or labour exchanges. These are the main agencies of public employment. They provide clearing house for jobs and job information. Employers inform them of their personnel requirements, while job seekers get information from them about the types of jobs that are referred to by employers. These agencies provide a wide range of services-counseling, assistance in getting jobs, information about the labour market, labour and wage rates.

(4) Schools colleges and professional associations:-

These also provide a useful service to employers. They maintain registers giving the Bio-Data and other particulars about their students. The companies that need employees maintain contact with the guidance compellers of employment bureaus and teachers of business and vocational subjects. Work study programmes provide an opportunity for students to work part- time while they finish their school. After they finish their education, they may be absorbed by companies concerned.

(5) Friends and relatives:-

Friends and relatives of present employees is also a good source of recruitment from which employees may be drawn when the labour market is very tight, large employers frequently offer their employees bonuses or prizes for any referrals who are hired and stay with the company for a specific, length of time. Some companies maintain a register of former employees whose record was good to contact them when there are new job openings for which they are qualified. This method of recruitment, however, suffers from a serious defect that it encourages nepotism, I. e. persons of one's community or caste are employed, who may or may not be fit for the job.

(6) Trade Unions:-

Trades Unions are one of the important and fruitful source for the recruitment of manual workers.

(7) Casual Labour Source:-

Most industrial units rely to some extent on the casual labour which presents itself daily at the factory gate or employment office. However, this source is uncertain, and the candidates cover a wide range of abilities, Even then, many industries make use of this source to fill up casual vacancies.

(8)Recommendation of management:-

Another source of recruitment is recommendation of management. Recommendation made the person or employees who perform effectively on the job. An employer will rarely recommend someone unless he believes that individual can perform adequately. We can expect that the recommendation is based on relatively strong beliefs. But recommendation of management may lead to nepotism.

Prerequisites of a good Recruitment Policy:-

The recruitment policy of an organization must satisfy the following conditions.

a)   It should be in conformity with its general personnel policies.

b)   It should be flexible so as to meet the changing needs of an organization.

c)   It should be so designed as to ensure employment opportunities for its employees on a long-term basis so that the goals of the organization should be achievable; and it should develop the potentialities of employees.

d) It should match the qualities of employees with the requirements of the work for which they are employed.

e) It should highlight the necessity of establishing job analysis.

The nature and extent of the recruitment programme depend on a number of factors, including the skills required, the state of the labour market, general economic condition and the image of the employer. A company which has the reputation of paying fair wages, providing good employee benefits and taking interest in employee welfare activities would attract a large number of applicants than it needs without making any extra recruiting effort. Small companies which hire only a few persons each year may not need to do more than spread the word around the plant or office that a vacancy exists. However, as a result of regulations from society and the government, the recruitment programme now requires the employers to go out and actively seek job applicants from groups of those who may not otherwise apply for employment.

SELECTION

Concept:-

The selection procedure is concerned with this information is secured in a number of steps or stages. The prime objective is to find out enough about the applicant so that he may be matched with the job.

15348

The hiring procedure is not a single act but is essentially a series of methods or steps by which additional information is secured about the applicant. At each stage, facts may come to light which may lead to the rejection of the applicant. A procedure may be compared to a series of successive hurdles which an applicant must cross. These are intended as 'screens' and they are designed to eliminate an unqualified applicant at any point in the process. No all selection processes include all these hurdles. The complexity of a process usually increases with the level and responsibility of the position to be filled.

According to Yoder, "The hiring process is of one or many go- no- go, gauges. Candidates are screened by the application of these tools. Qualified applicants go on to the next hurdle, while the unqualified are eliminated".**8**

Steps in selection procedure:-

There is no shortcut to an accurate evaluation of a candidate. The hiring procedures are, therefore generally long and complicated. Many employers make use of such techniques. However, in modern times, these are considered to be unreliable measures so they use shortcuts. The following are the popular steps these are:

1) Preliminary Screening Interview
2) Application Blank/ Application forms.
3) Employment Tests.
4) Background and References Check
5) Physical Examination

6) Employment Decision

1) Preliminary Screening Interview:-

The initial screening is usually conducted by a special interviewer or a high caliber receptionist in the employment office. When a large numbers of applicants available this step is desirable both from the company's point of view and that of the applicants seeking employment. This interview is essentially a sorting process in which prospective applicants are given the necessary information about the nature of the jobs in the organization. Then it is elicited from the candidates relating to their education, experience, skill, salary demanded, the reasons for leaving their present jobs, their jobs interests and whether they are available for the job, their physical appearance, age and facility in speech. If a candidate meets with the requirements of the organization then the candidate be selected for further step or action.

2) Application Blank or Application Form:-

An application blank is a traditional, widely accepted device for getting information from a prospective applicant which will enable a management to make a proper selection. The information is generally called on the following items-
   a. Biographical Data
   b. Educational Attainment
   c. Work Experience

d. Salary Demanded

e. Personal Items

f. Other Items

An application blank is a brief history sheet of an employees' background and can be used for future reference, in case of need. The data submitted in an application form should help predict the candidate's chances for making a success of his job. The information sought in it should be relevant to the objective of selection, to ensure that the information given by the applicant is true. The questions included in an application blank should be such as are valid and necessary. It must be complete but in brief.

3) Employment Tests:-

The next step in selection process is employment test. Organizations historically relied to a considerable extent on intelligence, aptitude, ability and interest tests to provide major input to the selection process.

4) Background and Reference Check:-

The next step in the typical selection process is to undertake an investigation of those applicants who appear to offer potential as employees. This may include contacting former employers to confirm the candidate's work record and to learn of their appraisal of her performance, contacting other job-related references and

verifying the educational accomplishments shown on the application.

5) Physical Examination:-

The last step is prior to the final ˜go-no go˝ decision consists of having the applicant take a physical examination. Certain jobs require unusual stamina, strength or tolerance of hare working conditions. A physical examination reveals whether or not a candidate possesses these qualities.

6) Employment Decision:-

That individual who passes through all above steps is able to attend this step. Those individuals who perform successfully on the comprehensive interview, physical test, employment test and reference check can expect to receive an offer of employment. If the organization's selection process has been effective in discriminating between those individuals who will make successful employees and those who will not, the trust of the selection decision is now in the hands of the applicant. It's a final step in the selection process.

PLACEMENT

Concept:-

After a candidate has been finally selected, he is required to be placed in the right job. This practice is known as placement.

Placement may be defined as "the determination of the job to which an accepted candidate is to be assigned and his assigned and his assignment to that job. It is a matching if what the supervisor has reason to thick he can do with the job demands (job requirements); It is a matching of what he imposes (in strain, working conditions), and what he offers in the form of pay role, interest, companionship with others, promotional possibilities etc." **9**

TRAINING AND DEVELOPMENT

Introduction:-

Training is a short- term process utilizing a systematic and organized procedure by which non- managerial personnel learn technical knowledge and skills for a definite purpose.

Development is a long- term educational process utilizing a systematic and organized procedure by which

managerial personnel learn conceptual and theoretical knowledge for general purposes.

'Training' refers only to instruction in technical and mechanical operations while 'development' refers to philosophical and theoretical educational concepts. Training is designed for non- managers, while development involves managerial personnel. Thus the training and development these are the two separate and distinct concepts.

TRAINING:-

Training is the cornerstone of sound management, for it makes employees more effective and productive. It is actively and intimately connected with all the personnel or managerial activities. There is an ever present need for training employees for the improvement. It is a practical and vital necessity because, without training employee can not develop and rise within the organization. It moulds the employees' attitudes and helps them to achieve a better co-operation with the company and a greater loyalty to it. The management is benefited in the sense that higher standards of quality are achieved, again a satisfactory organizational structure is built up and process also. Training, moreover, heightens the moral of the employees; it helps in reducing dissatisfaction, complaints, grievances and absenteeism. It reduces the rate of turnover. Further, trained employees make a better and

economical use of materials and equipments. Therefore, wastages and spoilage are minimized. The need of constant supervision is reduced.

Training is a continuous process and not a one shot affair. It is a time consuming and money consuming process, but it is necessary that a training programme should be prepared with great thought and care for future development.

Methods of training:-

There are various types of training. These types are interrelated. It is difficult, if not impossible; to say which of the methods or combination of methods is more useful than the other. In fact, methods are multifaceted in scope and each is suitable for a particular situation.

a. On-the-job Training.

b. Training Centre Training

c. Training by Experienced Workmen

d. Training by Supervisor

e. Demonstrations and Examples

f. Simulation

g. Apprenticeship

h. Off-the-job Training

These methods are explained in detail as under.

a) On-the-job training:-

On-the-job training is most widely used. An employee is placed in a new job and is told how it may be

performed. It is mostly given for unskilled and semi-skilled jobs that are clerical and sales jobs.

Employees are instructed by skilled workers, by supervisors or by special training instructors. They learn the job by personal observation and practice as well as occasionally handling it. Coaching, job rotation and special assignments are the three commonly used on-the-job techniques.

This training method is generally used in a large number of organizations. It is suitable for all levels of operatives, supervisors and executives. It is not necessary of schools and the employee's contribution adds to the total output of the enterprise.

b) Training Centre Training:-

This method is attempts to duplicate on the job situations in a company classroom. It is a classroom training which is often imparted with the help of the equipments and machines which are identical with those in use in the place of work. This technique permits the trainee to concentrate on learning. Theoretical training is given in the classroom, while the practical work is conducted on the production line.

c) Training by Experienced Workmen:-

By this method, training is imparted by experienced senior fellow workers. It is particularly adaptable where experienced workmen need helpers. It is

useful for departments in which workmen advance through successive jobs to perform a series of operations.

d) Training by Supervisors:-

Such training is imparted on the job by the workers immediate supervisors. It provides to the trainees opportunities for getting acquainted with their bosses. The bosses, too, have an opportunity to judge the abilities and possibilities of trainees from the point of view of their job performance.

e) Demonstrations and Examples:-

In this method, the trainer describes and displays something. When he teaches an employee how to do something by actually performing the activity himself and by going through a step-by-step explanation of "why", "how" and "what" he is doing.

This method is a very effective in teaching because It is much easier to show a person how to do a job than to tell to gather instruction from the reading material. Demonstrations are often used in combination with lectures, pictures, text materials, discussions, etc.

Demonstrations are particularly effective in the training for the acquisition of skills; but their usefulness is limited when it is a question of training management personnel.

f) Simulation:-

This method is widely used in the aeronautical industry. Trainee interest and employee motivation are both high in simulation exercises because the actions of a trainee closely duplicate real job conditions. This training is essential in cases in which actual on the job practice might result in a serious injury, a costly error or the destruction of valuable materials or resources. It is for this reason that the technique is a very expensive one.

g) Apprenticeship:-

For training in crafts, trades and in technical areas, apprenticeship training is the oldest and most commonly used method. It takes long period. The field in which apprenticeship training is offered are numerous and range from the job of a draughtsman, a machinist, a printer, a tool – maker, a pattern designer, a mechanic, carpenters, weavers, fitters, jewelers, die- sinkers, engravers and electricians. A major part of training time is spent on the job productive work. Each apprentice is given a programme of assignments according to a pre- determined schedule, which provides for efficient training in trade skills.

H) Off- the- job training:-

"Off- the – job training is not a part of everyday job activity. The actual location may be in the company classrooms or in places which are owned by the company

or in universities of associations which have no connection with the company.

These methods consist of- lectures, conferences, group discussions, case studies, Role- playing, programmed instruction, T- Group training.

DEVELOPMENT:-

Concept:-

Management development is a systematic process of training and growth by which managerial personnel gain and apply skill, knowledge, attitude and insights to manage the work in their organizations effectively and efficiently. It is an educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge for general purposes. These purposes concern-

a. Productivity

b. Quality

c. Human Resource Planning

d. Morale

e. Indirect Compensation

f. Health and Safety

g. Obsolescence Prevention

h. Personnel Growth

The need for management development has been keenly felt since the beginning of this century. In earlier

no one concentrate of it but now most of employers are concentrate on the development of all those who are in management positions or who are fresh from management institutions and have the potential for development. Management development is not a one shot affair but continues. It provides considerable opportunity for improvement.

Development process involves making exercises in managerial manpower flows, future inventories of human skills, abilities and diversifying operations of the organization. Development requires increasing professionalisation of management.

Stages in a Development Programme:-

According to Dooher and Marquis, the stages involved in a management development programme are 10

a) Organizational Planning:-

To determine the company's present and future needs.

b) Programme Targeting:-

To focus the company's efforts on the most pertinent areas.

c) Ascertaining Key Positions Requirements:-

To stress the basic requirements of particular managerial positions.

d) Managerial Appraisal:-

To evaluate periodically the abilities and performance of individuals with a view to identifying

managers showing a promise of further development and meeting their training needs.

e) Replacement of Skills Inventories:-

To indicate persons qualified for managerial replacements.

f) Planning individual development programmes:-

To provide specific development programmes for promising managers.

g) Appraising existing programmes:-

To ascertain areas of improvement to be incorporated in future programme.

Management development can not take place unless a favorable climate for it is created at the top which extends down through each level of the organization. It may come to a standstill if encouragement is not available to the persons concerned. If the growth stops at the middle management, it is impeded at that level and then the first line management and non- supervisory employees, too, suffer. Therefore, the creation of a proper organizational climate is must for the success of any development programme.

To develop a proper management climate it is vital to pay a vigorous and constant attention to the administration of a development programme, there must be comprehensive and coordinated planning. The plan should be communicated to all those who have to administer and function under the programme. Further, a

plan should apply first to the top so that management at that level may, by its own efforts, set an example for personnel management.

The administration of a management development programme is not an easy task. A number of problems are encountered in the process. Some of the problems which hamper a management development programme are

a)   Job security of the employees, its stability and pension; these slow down the mobility of employees and check the recruitment of younger peoples.

b)   Supervisors at different levels, especially in the middle management, often feed trapped. There is little prospect for their promotion because of the limited opportunities for advancement available in an establishment. This is especially the case if a man is not ego-involve and does not take pride in his job.

c)   Home ownership, home-sickness, community and social activities inhibit development to a large extent; and when these are accompanied by the absence of job security and chances of promotion. The employees tend to stress the non-job aspects of their lives.

d)   Relations between superiors and subordinates are often not conducive to management development. When no challenging situations are offered to subordinate staff, the chances of his development are greatly reduced. The superior also finds little incentive for developing subordinate staff despite lip service, partly because he does not have much time for it, and partly because of his reluctance to

promote subordinate lest he lose a good worker and may have to train fresh personnel of unknown quality.

PROMOTION AND TRANSFER

PROMOTION:-

A company's policy bearing on promotions and transfers is of great importance to employees at all levels. A sense of justice and security is involved in them as well as the more tangible items of salary and status.

A promotion may be defined as "an upward advancement of an employee in an organization to another job, which commands better pay/wages, better status/prestige and higher opportunities and responsibility, a better working environment, hours of work and facilities, etc.

According to Scott and Clothier:

"A promotion is the transfer of an employee to a job which pays more money or one that carries some preferred status".11

A promotion is a vertical move in rank and responsibility. Promotions have a salutary effect on the satisfaction of the promoted persons needs for esteem, belonging and security. They also afford an opportunity for greater self actualization through more varied and challenging assignments.

Promotion becomes a delicate problem not in the matter of selection of the right incumbents for the right job,

but it poses a constant challenge to executives at all levels and impels them to chalk out a well-thought-out programme by which the best and the most capable individuals may find an opportunity to go up to the top. The procedure for promotion, therefore, starts right at the bottom from the shop floor and ends with the managing director of a company.

Promotion done by various bases

a. Seniority

b. Merit

c. Efficiency

d. Seniority cum Merit

A management should frame the policy on the basis of which promotions may be made.

Seniority refers to length of service in the company in a particular position. Under straight plant-wide seniority in all job, promotions go to the oldest employee, provided that he is fit for the job. Occupational seniority may be within a department, within a division or in the entire plant.

There is a great controversy on the question of whether promotions should be given on the basis of seniority or efficiency. The trade unions are of the view that promotions should be given on the basis of seniority, while managements favour promotions on the basis of merit and ability.

TRANSFER:-

A transfer is a horizontal movement of an employee from one section to other at the same salary, status and responsibility. It generally does not involve a promotion or a change in the job status other than movement from one job or place to another.

Transfers are generally affected to build up a more satisfactory work team and to achieve the following purposes-

a. To satisfy needs of an organization.

b. To meet an employees own request.

c. To utilize properly the services of an employee.

d. To increase the versatility of the employee.

e. To adjust the work force.

f. To replace a new employee by an employee.

g. To help employees work according to their conveniences.

Transfers with the same section of the same department are decided by the foreman or plant manager and these are affected without the issue of any transfer order to the employee. He may be given oral instructions. The personnel manager, however, must be informed of such transfers.

Transfers from one department to another are decided by mutual consultations among the departmental heads when such transfers are of a permanent nature. Written orders, signed by personnel manager are issued to the employee.

WAGE AND SALARY ADMINISTRATION

Concept:-

Wage and salary administration refers to the establishment and implementation of sound policies and practices of employee compensation. The basic purpose of wage and salary administration is to establish and maintain an equitable wage and salary structure. It is concerned with the financial aspects of needs, motivation and rewards. The wage policies of different organizations are varying. A sound wage policy is to adopt a job evaluation programme in order to establish fair differentials in wages based upon differences in job content. Besides the basic factors provided by a job description and job evaluation, those that are usually taken into consideration for wage and salary administration are-

a. Ability to pay
b. Supply and demand of labour
c. The prevailing market rate
d. The cost of living
e. Living wage
f. Productivity
g. Trade unions bargaining power
h. Job requirement
i. Psychological and sociological factors

To satisfy the conditions of equity, fairness and justice, a management should take these factors into consideration.

Wage and salary administration should be controlled by some proper agency. This responsibility may be entrusted to the personnel department or the general company organization or to some job executive. Since the problem of wage and salary is very delicate and complicated. It is usually entrusted to a committee composed of high ranking executives representing major line organizations.

BENEFITS AND SERVICES

Concept:-

It is difficult to know exact meaning of fringe benefits, for there is no agreement among the experts on its precise meaning or significance. The chief area of disagreement is between 'wages' and 'fringe' and company 'personnel services' on the other. There are also differences on whether the benefits which have been legally provided for should be included among the fringe.

The fringe benefits are defined as "supplements to wages received by workers at a cost to employers".

According to the employers federation of India "Fringe benefits include payments for non- working time, profit and bonus, workmen compensation, welfare cuss. The

contributions made by employers under such voluntary schemes as cater for the post- retirement, medical, educational, cultural and recreational needs of workmen. The term also include the monetary equivalent of free lighting, water, fuel etc. which are provided for workers, and subsidized housing and related services.

Wages are directly related to the work done and are paid regularly- usually weekly fortnightly or monthly. Fringe benefits on the other hand, are those payments or benefits which a worker enjoys in addition to the wages he receives. These benefits are not given to workers for any specific jobs they have performed but are offered to them to stimulate their interest in their work and to make their job more attractive and productive for them. Basically fringe benefits are giving on the basis of length of service.

Though these benefits are known as fringes, they are not merely so but are a substantial part of the expenditure incurred on wage and salary administration. They are better known now as 'benefits and services', rather than as 'fringe benefits'.

WORKING CONDITIONS

Concept:-

Pleasant surroundings, good, lighting, good ventilation, reasonable hours of work and such other facilities are necessary for the excellent performance of the employees. These facilities bring about a marked improvement in the productivity and morale of employees.

61

The satisfaction with working conditions and remuneration is important. The motivated and creative input of people is brought about largely by providing satisfaction for them in their job. A challenge to their ability and an opportunity for achievement followed the fair working condition as a reward. That job satisfaction is aided by individuals seeing their part is the whole and identifying their own objectives and growth with those of the company and its progress.

References

1. Pigors, P. and Myers, C.A. Personnel Administration McGraw- Hill Kogakusha Ltd. Tokyo 1961 P. 11

2. Institute of Personnel Management, Functions of Personnel Department, London 1949.

3. Calhoon, R., Personnel Management and Supervision Appleton century crafts, New York, 1967,P.21

4. Bambrick, James B., "Developing Workable Personnel Policies", in the Personnel Man and His Job, D. B. Taraporavala and Sons, Bombay, 1967, P.88

5. Beach Dale S., Personnel : The Management of People, New York, 1967, P. P. 48/49

6. C. B. Mamoria, Personnel Management P.154

7. C. B. Mamoria, Personnel Management P.154

8. Yoder D., Personnel Management and Industrial Relations 1976, P.299

9. Pigors P. and Myres, C. A., Personnel Administration 1969, P.301

10. Dooher, M. Joseph and Marquis, Vinienne, The Development of Executive Talen, American Management Association, New York, 1952, PP 29-30

11. Scott, Clothier and Spriegel, Personnel Management P. 178