### Chapter - III

# THEORETICAL REVIEW OF LITERATURE

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#### Recruitment and Selection

#### 3.1 Introduction:

The success of any organisation depends on how effectively human resources are managed and utilised. In today's highly complex and competitive situation the choice of right personnel has far reaching implication for the enterprise. Rapid technological changes escalating labour cost, shifting job requirements, rising education and expectation levels among the workers and high performance level demanded by increasing competition etc. all these have contributed to the need for managing an organisation with both suitable and competent manpower. Hence building and maintaining an effective human organisation become one of the most important management functions.

Recruitment is not only matter of satisfying a company need -- it also an activity which influences the shape of company future. There are significant principles, functions and methods which are essential to the effective recruitment and selection of people in any organisation.

#### 3.2 Meaning and Definition of Recruitment:-

Recruitment is most important function of personnel administration. It is a process of searching for prospective employees and stimulating and encouraging them to apply for job in organisation. It is often termed 'positive' in that it stimulates people to apply for the job to increase the hiring ratio i.e. Number of applicants for job.

#### **Definition of recruitment**

"A process of searching for prospective employees and stimulating them to apply for the job." E.B. Flippo.

"Recruitment is a process of generating a pool of qualified applicants for organisational job." Dale Yoder.

#### 3.3 The Need of Recruitment:-

The need of recruitment arises out of the following situation.

- > Vacancies due to transfer, promotion, retirement, termination, permanent disability, death etc.
- > Vacancies due to expansion, diversification, growth, job respecification.

#### 3.4 Objectives of Recruitment:-

Recruitment which is problem of thinly populated and highly developed economy become the problem of selection in overpopulated and

underdeveloped countries. The most important objectives of recruitment are as follows.

- To keep the labour turnover ratio as less as possible.
- The determination of vacancies i.e. the need for new employees through organisation growth or replacement
- > Invitation to candidate.

#### 3.5 Sources of Recruitment:

The sources of recruitment of employees can be broadly classified into two; Internal sources and External sources.

#### Sources of Recruitment Internal sources External sources Promotion Recruitment at factory gate i) i) Transfer Job advertisement ii) ii) iii) Labour contractor iv) Recommendation of present employees **Employment Exchange** v) vi) **Educational and Technical** institute Placement Agencies vii) viii) Labour Union

#### 3.5.1 Internal sources of recruitment:

The internal sources consist of the present employee promotion and transfer. These are the main sources of internal recruitment.

#### i) Promotion:

According to Flippo 'A promotion involves a change from one job to another that is better in terms of status and responsibility. Position vacant in higher rank may conveniently be filled-up by promoting suitable employee from below.

#### ii) Transfer:

According to Dale Yoder 'Transfer involves the shifting of an employee from one job to another without special reference to change in responsibility or compensation. Thus transfer is a change in a job equal to the old one in terms of pay, status and responsibility.

#### 3.5.2 Advantages of internal recruitment:-

Internal recruitment is the quickest and the cheapest method of recruitment. No time and money is required to be spent in tapping the external sources of recruitment. Generally the following are the main advantages of internal recruitment.

- i) It allows management to observe an employee over a period of time. his potential and job behaviour are known.
- ii) It tends to increase the morale of employees who perceive the possibility of promotion and growth.

- iii) It motivates present employees to work towards and prepare themselves for promotion.
- iv) The person selected internally knows the organisation well and will prepare in familiar environment.

#### 3.5.3 Disadvantages of internal recruitment:-

Despite the above advantages there are also some disadvantages of internal recruitment.

- Inbreeding is a drawback the employee trends to demonstrate on the job only what he has learned in the organisation and has few new ideas.
- Inadequate supply would also arise since fewer people would be available to choose from as oppose to internal recruitment.
- Recruitment of friends, relatives of present employees' may often create unnecessary tension and charge of favoritism nepotism, etc. it often leads to serious erosion of discipline as well.
- Particularly at the time of expansion, diversification people with necessary qualification and experience are required which recruitment cannot be filled by internal recruitment.

#### 3.5.4 External Sources of Recruitment:-

External sources of recruitment refer to supply of personnel from sources outside the organisation. Generally the following sources are used to fill-up the vacancies in the organisation.

#### 1) Recruitment at Factory Gate :-

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

#### 2) Job Advertisement :-

Advertisement in news paper, trade journal and magazine is most frequently used when qualified and experienced personnel are not available form other sources. Advertisement is powerful technique of attracting potential employees and in both public as well as private companies.

#### 3) Labour Contractors :-

In many organisations, workers are recruited through contractors who are themselves the employees of these organisation.

#### 4) Recommendation of Present Employees:-

Some companies ask the present employees to recommended new recruitee. This method provides preliminary screening as the present employee knows both the company and his acquaintances and presumable would attempt to please both.

#### 5) Employment Exchange:-

Employment exchange established in various cities as per public policy, after yet another important source of recruitment. They maintain separate databases for non-graduate and post graduate. In our country it is obligatory for the government department and Public Sector Undertaking to notify the vacancies to the local employment exchange who direct the candidates meeting the basic qualification requirement.

#### 6) Educational and Technical Institutes:-

Sometimes recruiters are send to educational institutions where they meet the members of faculty and person in-charge of placement services who recommend suitable candidates. Some companies send representative to professional meetings and convention to recruit employee.

#### 7) Placement Agencies:-

Some agencies and associations are established to supply candidates in terms of requirement. The companies intimate their requirement to them who forward a panel of suitable candidates for recruitment. This is good source of recruitment especially for professional and managerial positions.

#### 8) Labour Union:-

In India one third of labour force are organised into union, organised labour constitutes an important source of manpower. As a part of welfare measure many organisations provide employment to the next-of - kin of employee died while in service.

#### 3.5.5 Advantages of External Sources of Recruitment:-

Following are the main advantages of external recruitment.

- i) It provides the required type of personnel for an organisation having skill, training and education upto the required standard.
- ii) Person are recruited from large market therefore best selection can be made without any distinction of caste, sex or colour.
- iii) In long run this sources prove economical because potential employee do not need extra training for their job.

#### 3.5.6 Disadvantages of External Sources of Recruitment:-

Despite the above advantages there are disadvantages also. This system suffers from what we called 'Brain drain' specially when experienced persons are raided or hunted by sister concerns.

#### 3.6 Factors Affecting the Recruitment Policy:-

The Recruitment is affected by external as well as internal factors.

The detail are as follows:

#### I) External Factor:

The external factors of recruitment is also depends on many other components. Some of these as follows:

a) Supply and Demand of Specific Skill: The company specifically need technically skilled personnel it has good pool of office staff and the

recruitment is made only for engineers most of the time and for this extra ordinary efforts are needed.

b) Labour Market Condition: Labour market from local area is of primary importance in recruiting most non-managerial, supervisory and middle-management position. If they are outsider, they will not show more interest as they are commuting from long distance. However so far as recruitment for executive and professional position are concerned, condition of all India market are important. Political, Cultural, Economic and Legal factor are also affecting the labour market condition.

#### II) Internal Factors:

The internal factor of recruitment is vary from organisation to organisation and its area, function and objective. Some of these internal factor has been discussed below:

- a) Policy of temporary and part time employee: In the context of HRM organisation should adopt a policy to hire permanent employees. So that with the growth of employees, in the organisation will also develop to face the competition and maintain the career planning at an employee.
- b) Size of the organisation affects the recruitment: If an organisation is of large size it will have sufficient choice for final selection.
- c) Effect of post recruitment: New recruitment is also affected by post recruitment. If existing employees of the organisation are not properly trained and skilled, it may have negative effect on the new employees.

#### 3.7 Selection:

Selection is a process of discovering the qualification and characteristics of the job applicant in order to establish their likely suitability for the job position. Effective selection decisions are those where the candidate was predicated to be successful and later did prove to be successful performence on job. 'An attempt is made to find a round peg for a round hole.' In doing so naturally many applicants are rejected this makes selection 'Negative' function.

Selecting the right employee is important for two main reasons, first organisational performance always depends upon the men. Employee with right skill and attributes will do better job for the company. Employee without these skills or who are abrasive or obstructionist won't perform effectively and organisation will suffer. Second, it is important because it is costly to recruit and hire employee.

There could be two types of errors in selection decision.

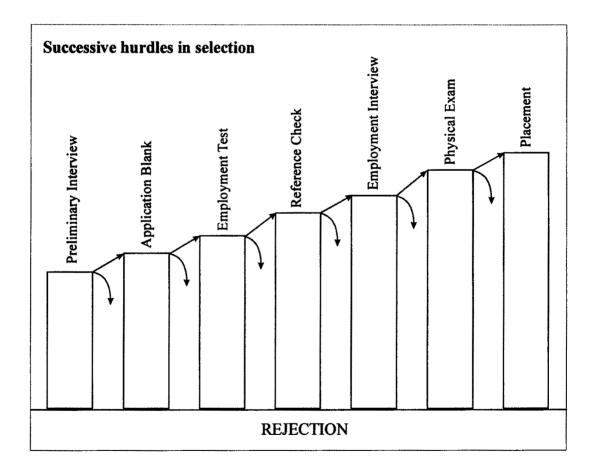
- > Reject error Rejecting candidate who would have performed successful on job.
- > Select error- selecting candidate who later performs poorly on job.

An effective selection system should endeavour to minimise both these errors. This is possible if the system is impartial and has a degree of objectivity and fairly uniform standard of assessment. Good selection requires methodological approach to the problem of finding the best matched person for the job.

#### 3.7.1 Stages in selection process:-

The selection procedure is concerned with securing relevant information about an applicant. This information is secured in 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.

There are seven steps in the selection process. These stages have been discussed in the a succeeding paragraph.



#### 1) Preliminary Screening interview:-

The initial screening is usually conducted by special interviewer in the employment office. When large number of applicants are available, the preliminary interview is desirable both from company's point of view and that of the applicant seeking employment. It is necessary to reduce the applicants to manageable proportions. This is done by information received through letter, curriculum vitae or application form or combination of these.

#### 2) Application Blank:-

An application blank is a traditional widely accepted device for getting information from prospective applicant which will enable management to make proper selection. Information is generally called on the following items.

- ➤ Biographical Data :- name, place of birth, age, sex, height, weight, marital status and number of dependents etc.
- ➤ Educational Attainments :- Education, Training acquired in special fields, knowledge gained through processional institutes etc.
- ➤ Work Experience :- Previous experience, nature of duties and responsibility held with other employer etc.
- ➤ Other Items :- Name and addresses of previous employers, references etc.

An application blank is a brief history of an employee's background and can be used for future references.

#### 3) Employment Test:-

This includes test of intelligence, aptitude, ability and interest.

There are two set of tests - performance test and psychological test.

#### i) Performance Test:-

These tests are aimed to find out if the applicant can do the job successfully by asking him to do it. They have become very popular these days. The two of the known performance tests are.

- ➤ Work Sampling:- It is an effort to create a miniature replica of job.

  Applicant demonstrates that they posses the necessary skill by actually doing the task.
- ➤ Assessment Center: In assessment center, line executive, supervisor, and or qualified psychologist evaluate candidate as they go through two or four days exercise that simulates real problem that the candidates are likely to encounter on the job.

#### ii) Psychological Test:-

Good psychological tests are useful in the right circumstances because they can provide an objective measures of people's ability. The following are the psychological tests which are used for selection.

- > Intelligent Test: This test measures the general traits, capacity for comprehension and reasoning.
- Aptitude Test: This test measures whether an individual has the capacity or latent ability to given job if given adequate training.

> Interest Test: This test is designed to find out the interest of an applicant in the job he has applied for.

#### 4) References Check :-

Requesting references is a widespread with substantial doubt as to its validity, references are usually obtained from the candidate friends or from his previous employer. The main reason to conduct pre-employment background investigation are,

- > to verify factual information previously provided by applicant
- > to uncover damaging information such as criminal records.

#### 5) Employment Interview:-

Interview is designed to probe into areas that cannot be addressed by the application form or test. This usually consists of assessing candidate's motivation, ability to work under stress, inter-personal skill, ability to 'Fitin' organisation. Where these qualities are related to job performance, the interview should be considered as very valuable tool.

#### 6) Physical Examination:-

Physical examination reveals whether or not a candidate possesses the required stamina, strength and tolerances of hard working condition. Major deficiency may serve as basis for rejection but minor deficiencies serve as a positive aid to selection and placement as indicating restriction on the candidate's transfer to other position. The basic purpose of physical

examination is to place selected candidate on job which they can handle without any injury or damage to their health.

#### 7) Placement:-

Placement is a decision to accept or reject applicant on the basis of his performance in some selection techniques. In selection the task is to match position with people so that each individual is assigned to that position where he is likely to make the best use of his ability and consistent with the requirement of his total working group. Placement is best done where the number of available job is large, relative to the number of selection individual.

#### 3.8 Wage and Salary Administration:-

#### 3.8.1 Introduction:

Management challenge is to create an environment which stimulates people in their job and foster organisation growth and a key aspect of environment is compensation. Its dramatic impact is felt not only in the area of cost but also in the area of individual motivation. Motivation is an essential prerequisite to top corporate as well as individual performance. A company's reward system and its application indicate explicitly just how highly a person and his contribution are valued. Therefore wage and salary administration is vital area of Human Resource Management.

#### Meaning:

Wage and Salary administration refers to the establishment and implementation of sound policies and practice of employee compensation. It involves direction of programmes designed to implement the payment of economic / monetary/ financial reward. It includes such areas as job evaluation, development and maintenance of wage structure, wage survey, wage incentives, profit sharing, wage changes and adjustment, supplementary payment control of compensation cost and other related pay items.

#### **Definition and Explanation of Relevant Terms:**

Several terms or concepts relating to the payment of compensation or financial reward in wide use may be explained as below.

#### **Definition**:-

"It involves the selection, development and direction of programmes designed to implement compensation or incentives policy through financial reward."

- Dale Yoder.

According to D.S. Beach wage and salary administration is refered to "the establishment and implementation of sound policy and practice of employee compensation. It includes such areas as job evaluation, development and maintenance of wage structure, wage salary, wage incentives, supplementary payment and other pay items."

#### 3.8.2 Relevant terms /concepts:

#### A) Wage and Salary :-

Broadly the term 'wage' may be used in general sense to include all monetary payments based on time worked but a more limited definition equates 'wage' with an hourly rate.

Thus in popular usage "wage is payment to hourly rated production, worker"

According to an International Labour Organisation (I.L.O.), wage may be defined as "the remuneration paid by the employer for the service of worker who is engaged by the hour, week, or fortnight."

The term salary is used to designate monetary payment to clerical, supervisory, managerial or professional employee. Thus salary refers to compensation paid or calculated on a monthly or annual basis.

#### B) Earning:-

Earning represents the total amount of pay the employee receives for his work, in a given period of time. It includes overtime payments, dearness and other allowances etc. Therefore it is not same as 'wage'.

#### C) Nominal and Real Wage :-

Nominal wage represent wage paid or received in terms of money whereas real wage represents the purchasing power of money which is calculated on the basis of cost of living or consumer price index.

#### D) Take Home Pay:-

Take home pay represents amount of money left to the employee after authorised deduction and other charges. Such as social security, income tax etc.

#### E) Fringe Benefits:-

This includes supplementary form of payment beyond stated wage or salary rates either in money or financial right e.g. bonus, profit sharing, pensions, insurance etc.

#### F) Wage Incentives:-

Wage incentives are linked with some measurement of an individual output with the objective motivating the employee for superior performance. Various incentives plan are there for individual as well as group i.e. Hasly plan, commission plan, work group plan, Scanlon plan.

#### G) Wage Rate:-

It represents the amount of money the employer pays for a unit of time worked or for unit of output produced. There are two prevalent types of wage in the market one is by 'Time Rate' and another by 'Piece Rate.'

#### 3.8.3 Objective of Wage and Salary Administration:

The basic purposes of wage and salary administration are

- to establish and maintain an equitable wage and salary structure.
- > to reduce the likelihood of friction and grievance over wage inequalities.

- by ensuring adequate payment for all the jobs through the proper wage and salary administration
- > to establish and maintain an equitable labour cost structure that is an optimal balancing of conflicting personnel interest. So that the satisfaction of employees and employers is maximised and conflicts minimised.

The systematic approach of wage and salary administration concerned with the financial aspect of need, motivation and rewards. So it can easily deal with the trade union. Management can explain the basis of their wage and salary programme because it is based upon a systematic analysis of job and wage fact.

## 3.8.4 Factor Influencing Wage and Salary Structure and Administration:-

The wage policies of different organisations vary some what, marginal units pay the minimum necessary to attract the required number and kind of labour. At the other extreme, some units pay well above the going rate in the labour market. But large number of organisations seek to be competitive in their wage programme they aim at paying some where near the going rate in the labour market for the various classes of labour they employ. Generally most of organisations consider two criteria viz. job

requirement and the prevailing rates of the wage in the market, other factors are of secondary importance.

A sound wage policy is to adopt a job evaluation programme in order to establish fair differential in wage based upon differences in job content. Besides the basic factor provided by a job description and job evaluation those that are usually taken into consideration for wage and salary administration are.

#### 1) The Ability to Pay -

Companies that have good sales and therefore high profit tend to pay higher wage than those which are running in loss or lower profit. All employers irrespective of their profit or losses must not pay less than their competitor and need to pay more if they wish to attract and keep workers in the long run. The ability to pay is very important during time of prosperity employer pay high due to their profitable operation and increases ability to pay. But during the depression wage are cut because of shortage of fund. However ability to pay does not apply to non-profit making organisations.

#### 2) Supply and Demand of Labour :-

Wage and Salary is affected by the market conditions of supply and demand. If supply of particular skilled labour is scarce employer may offer high pay. If supply is excessive lower wage are generally given. The supply and demand compensation criteria is very closely rated to the prevailing pay, comparable wage, ongoing wage concept since essence of

all these remuneration standards are determined by immediate market forces and factors.

#### 3) Prevailing Market Rate:-

This is also known as 'going wage rate' and used widely. An organisation compensation policies generally tend to conform to the wage rate payable by the industries and community. This is done due to Government law and judicial decision. It makes uniform wage rate. Competition, and union encourage this practice. So they get equal pay for equal work.

#### 4) Cost of Living:-

The cost of living pay criterion is usually regarded as an automatic minimum equity pay correction. When the cost of living increases labour union demands adjusted wage to offset the erosion of real wage. However, when living costs are stable or declining the management does not resort to this argument as a reason for wage reduction.

#### 5) Union Bargaining Power:-

Union pressure exerts considerable influences upon the wage and salary rate. Generally the more powerful union is stronger is its bargaining power and the greater will be the possibility of higher wage and salary. It is often measured in terms of its membership, financial strength and nature of its leadership.

#### 6) Job Requirement:-

Various jobs in the organisation are graded according to the relative skill, efforts, responsibility and job conditions etc. and measure of job difficulty is used frequently when it is intended to ascertain the relative value of one job to another in the organisation. In general, more difficult the jobs higher are the pay. Organisation wage and salary system provides wage and salary classification for each kind of labour which design money unit along with the responsibility.

#### 7) Psychological and Social Factors:-

Psychological and Social factors are significant measures to know how hard a person will work for the compensation received or under what pressure he will exert to get his compensation increased. Psychologically, a person perceives the level of wage as a measure of success in life. People may feel secure, have an inferiority complex, seem inadequate or feel the reverse of all these. They may or may not take pride in their work or in the wage they get. Sociologically and ethically people feel that 'equal wage for equal work' therefore wage should commensurate with their effort and not exploited and that no distinction is made on the basis of caste, colour, sex, religion so management should not overlook these factors.

#### 8) Government Policy:-

Like the pressure from union there are also pressures from Government upon company wage and compensation policies and practices.

Acting in public interest government passes legislation, issues order and

establishes statutory board and practice for the purpose of attaining specific objective of social and economic policy e.g. Minimum Wage Act 1948, Equal Remuneration Act, 1976, Equal Pay Act, 1963 etc. and it is affecting the wage and salary administration of the organisation.

#### 3.8.5 Wage Incentives:-

An incentive or a reward can be anything that attracts the worker's attention and stimulates them to work. In the words of Burac and Boldsmith. "An incentive scheme is a plan or programme to motivate individual or group performance. An incentive programme is most frequently built on monetary rewards (incentive pay or a monetary bonus) but may also include a variety of non-monetary rewards or prizes."

A wage incentive scheme is essentially a managerial device of increasing a worker's productivity. Simultaneously it is method of sharing gain in productivity with workers by rewarding them financially for their increased rate of output. The term incentives has gradually acquired a wide perspective and includes all the possible factors besides economic gain which can possibly motivate human being towards better and greater performance.

#### 3.8.6 Objective of Wage Incentives Scheme:-

Wage incentives scheme aims at fulfillment of one or more of the following objectives.

- To improve the profit of the firm through the reduction in the unit cost of labour and material.
- To increase the workers' earning without dragging the firm in to higher wage rate structure regardless of productivity.
- To use wage incentives as a useful tool for securing a better utilisation of manpower.

#### 3.8.7 Merits of Wage Incentives Scheme:-

Incentives schemes are beneficial to both employers and workers. They are accepted as a sound technique for achievement of greater production on the ground that workers would work at their best if they are offered monetary rewards for good performance. For employer the need for vigorous supervision is reduced and consequently there is a cut in the expenditure on supervision.

#### 3.8.8 Demerits of Incentives Scheme:

Despite the rosy picture the experience with the working of incentives in highly industrialised countries have a dubious value for increase in output. Even where an incentives scheme yields an increased output it may generate tension among the different parts of an organisation such tension often creates difficult managerial problems and may eventually affect output.

#### 3.8.9 Types of Incentives:-

Incentives may be monetary or non-monetary.

In monetary incentives are included time allowances system, piece work system, group bonus system and such other system as the Rowan premium bonus system. In other words monetary incentives include besides wage allowances, profit, bonus overtime earning, and other payment which may be made to workers in recognisation of his increased productivity.

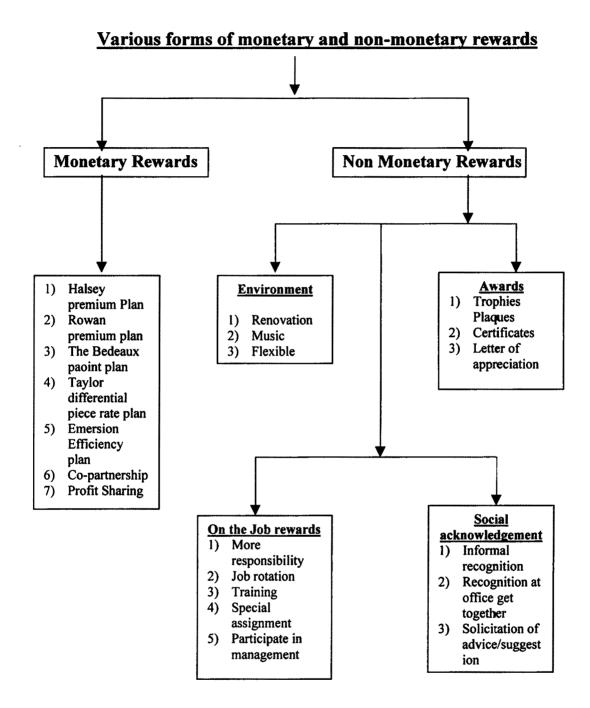
On the other hand <u>non-monetary</u> incentives include job security, training scheme, welfare scheme, recreational and social facility, sound and intelligent promotion scheme, canteen facility and educational opportunity. All these motivate workers to raise their productivity.

#### Merits of non-monetary rewards are to -

- ➤ Motivate employees to perform better
- ➤ Build tremendous self-esteem among employees
- Make employees more loyal to the company
- > Create an atmosphere where change is not resented.

#### The following are the demerits of non-monetary rewards.

- It de-motivates people if processes are not transparent
- It could result in unhealthy competition among employees.
- Employee will never work efficiently and sincerely if monetary rewards are inadequate.



#### 3.10 Employees Benefits :-

Management is concerned with attracting and keeping employees, whose performance meet at least minimum level of acceptability and at keeping "absenteeism " and "turnover" to tolerable level. The provision of "benefits" and "service" can be an important practice in maintaining the employee and reducing or keeping turnover and absenteeism as low as possible.

It is important to note that financial incentives are paid to specific workers whose work is above standard "employee". "Benefit and service" on the other hand are available to all employees based on their membership in the organisation. The purpose of such benefit is to retain people in the organisation and not to stimulate them to greater effort and higher performance.

The International Labour Organisation has defined fringe benefits as under.

"Wage are often augmented by special cash benefits by the provision of medical and other services or by payments in kind that form part of the wage for expenditure on their goods and service. In addition workers commonly receive such benefits as holidays with pay, low cost meals, low rent housing etc. Such addition to wage proper are sometime referred to as 'fringe benefits' even though they may constitute a significant part of worker's total income'. This is fairly obvious in case of public park, sanitation services, public and fire protection."

#### Fringe benefits may be classified as under.

#### A) Employee Security Payment:

- Employer's contributions stipulated in legal enactment, old age survivor, disability, health and unemployment insurance.
- Payment under Workmen Compensation Act.
- > Accident insurance
- > Pension
- > Contribution to saving plan and health and welfare fund.

#### B) Payment for Time not Worked:

Under these are included call back and call in pay, clean up time, family allowances, holiday pay, layoff pay, paid lunch period, portal to portal time, pay for rest period, severance pay, paid sick leave, payment for time spent on collective bargaining and on the redressed of grievance's, vacation pay etc.

#### C) Rest period:

Among office job and those job requiring heavy exertion, high repetition or diligent concentration, certain rest periods are allowed during the day to facilitate the worker to rest. The idea is to allow the worker some mental and physical diversion from his job.

#### D) Holiday:

Certain days in the year are stipulated as a paid holidays, for which the employees are paid and do not have to work i.e. Independence day, Republic day, Gandhi Jayanti etc.

- ➤ Vacation The paid vacation vary from a day to 1 month in a year.

  These are given to employees after he has put in specific period of time.

  The rational behind it is to provide a break in which employee can refresh himself.
- > Sick Leave: When employee is out of work due to illness full pay for specific. number of permissible sick days are granted to employee.
- > Severance Pay:- This provides a, non time payment when an employee's service is terminated.

#### E) Pension Programme:-

A pension represents a fixed payment made regularly to a former employee or his surviving dependants provided on employee has fulfilled specific condition of employment for a specific length of time.

#### F) Bonus and Awards:-

These consist of such financial amenities and advantages as holiday, overtime and shift premium, attendance bonus, Diwali bonus, bonus for good quality workmanship, safety awards, profit sharing bonus, suggestion awards etc.

In addition to above fringe benefits organisation also provide a wealth of services that employees find desirable. These services include.

- > <u>Services related to the types of work performed</u> including subsidies for purchase and upkeep to work clothing and uniform.
- Eating facilities which include the provision of organisation restaurants, canteen, lunch room, fully or partially subsidised food.
- > <u>Child care facilities</u> comprising nurseries and day-care centres for children.
- Housing service including company-owned housing services and subsidised housing.
- Financial and legal services including sponsoring of loan fund, income tax service, legal aid, saving plan, insurance plan and likewise.
- > Purchasing services such as employee operated stores
- Medical services- which include plant, infirmaries, clinics and hospitals.
- Educational services which include scholarship for employees and their children, tuition fee refund.

The management of human resources has now realised a strategic importance in the achievement of organisational goal and excellencies. Some critical issue have clearly emerged i.e. planning acquisition and development of human resources, responding to demands of the workplace

and above all, evolving a strategy of dealing with industrial conflict. The important of human resource management and planning therefore suggest itself with equal weightage irrespective of whatever it is in terms of regulation or deregulation regime. The technological innovation, upsurge in productivity and development of new product are as natural outcome of free competitive economy which implies that organisation engage themselves in race in all time. In this circumstances emphasis on human resource planning is logical and rewarding.

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