

*Chapter – V*

**CONCLUSIONS AND  
SUGGESTIONS**

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#### **5.1 Introduction :**

The study in foregoing chapter has been concerned with a detailed study and analysis of Human Resource Management with important aspects of human resource management such as recruitment selection, wage and salary administration in **Kolhapur Municipal Transport, Kolhapur** in the context of following objectives.

- To study the recruitment process of employees and their selection.
- To examine sources of recruitment and selection method.
- To study the different pay scale of employees in KMT and other allowances such as financial incentives, non-financial incentives and employee benefits etc.
- To analyse the problem and difficulties while implementing policies of recruitment, selection, salary and wage administration.

In this present chapter an attempt has been made to review the important findings of the study and suggest the measures to resolve the problem to make the study fruitful one.

## **5.2 Manpower Planning :-**

Through the manpower planning a management strives to have the right number and the right kind of people at the right time on right job to do things which result in both the organisation and individual growth but this philosophy is mostly neglected. There are no scientific practices followed for determination of quantitative and qualitative requirement of people. Number of employee required are determined by number of buses in the fleet. KMT allow to recruit new 8 employees for every new bus arrive in the fleet this standard is fixed by provision of Bombay Provincial Act, 1948.

## **5.3 Personnel Department :-**

Personnel management being important branch of management study has necessitated the establishment of Personnel department in all big organisations. However the small unit cannot afford full-fledged personnel department, but cannot escape from responsibility towards personnel.

It is disheartening to observe that KMT has no personnel department. All personnel functions are performed by public relation officer with the help of sectional head of department. There is no one specialist in the field to assist and counsel to the public relation officer regarding personnel policies and problems. During the investigation it was found that there is no scientific and modern technique used to manage

people and the rendering whole system is irrational and based on rule of tradition.

## **5.4 Recruitment and Selection :-**

A systematic recruitment and selection programme begins with manpower planning but it is not found in the organisation for both short as well as long run period.

### **5.4.1 Sources of Recruitment :-**

KMT does not practices with other external sources of recruitment such as technical institute, colleges, professional association, computer data bank etc. Due to nature of service very few people are required with high educational qualification and technical education at middle level management and workshop only. Internal sources of recruitment are restricted only to fill-up controller and timekeeper posts in traffic supervisory department

Employment Exchange Sponsors the major portion of job seeker. This is partly due to legal compulsion under employment exchange. (Compulsory notification of vacancies) Act, 1959 and partly due to inherent convenience in the systems.

The ability of an organisation to achieve its goal, survive and grow in dynamic environment significantly and substantially depends upon its selection process. The present selection procedures are based on unscientific and irrational principles. There are no common or standard

selection techniques for selecting particular department employees. In the organisation sequential selection hurdles are mostly neglected.

Management has never used references check techniques for selecting any employee. Damaging information such as criminal records which may disturb discipline systems of organisation and create unnecessary tension among the entire workforce.

#### **5.4.2 Selection Method :-**

Interview is common method of selection in organisation for both executive and non-executive category of employees. 45 percent employees are selected by interview technique alone. There is no permanent selection committee constituted for the purpose of conducting interview, such committee is formed as and when needed. The aptitude test, psychological test and physical examination are not prevalent for all category of employees.

The organisation did not provide their own application forms. Hence applicants are requested to submit their application on plain paper providing complete bio-data, this practice also is not followed punctually for each worker and it leads recruitment practice to be irrational one.

The KMT has the practice of promptly informing the selected candidate about the result of interview and asking them to join immediately.

### **5.5 Placement :-**

The final step in hiring process is that placement of new employee. This normally includes discussion of personnel policy, work policy of organisation and job condition. In KMT there is no any formal programme of placement. Selection are made by keeping specific vacancies in view and selected candidates are automatically placed in those vacancies.

### **5.6 Training :-**

The nature of training programmes vary with job requirement and level of employees concerned. The common training programme are on the job training from immediate supervisor or experienced worker. The existing system of training is inadequate, unscientific and dependent on outer agencies. Training has remained most neglected factor in organisation. 36.25% employees are still not benefited by any training programme. The need of training depends upon the size of establishment the rapidity of the growth and the complexity of its operation. The KMT cannot afford to provide executive training facility on its own at plant level because of its financial position and management does not recognise importance and advantages of sound training programmes.

## **5.7 Manpower Adjustment :-**

### **5.7.1 Transfer**

Job description and Job analysis for transfer are not considered. Transfers are made because of organisational need and not with point of view of increasing versatility of the employee, before the transfer no employee is consulted by management. However all employees enjoyed the transfer with keeping view of future advancement. Frequency of transfer is negligible and personal transfer policy and remedial transfer policy do not exist.

Shift transfer is common fortnightly phenomenon in organisation, mutual time adjustment of shift between the workers is allowed.

### **5.7.2 Promotion :-**

Promotion function is looked after by public relation officer and concerned head of department with discussion of transport manager. Any grievance pertaining in seniority are handled by transport committee. Seniority- cum-merit is an important consideration in many promotion decisions (42.10%). *Seniority* refers to length of service of employees usually length of service is computed on the basis of current continuous employment *merit* refers to the employees performance on the job in terms of requirement of the job. Past records, supervisor evaluation; proven ability on the job etc. are additional factors considered for promotion but no any test or interview is conducted while taking promotion decision.

Promotion policy in organisation is influenced by common feature, which can be dichotomized as reservation, preference is given to the *Scheduled Caste*(SC) and *Scheduled Tribes*(ST) and this is imperative because policy directive from government.

### **5.7.3 Promotion criteria :-**

Seniority-cum-merit is important consideration in 42.10% promotion decisions however criteria of promotion is not fixed it changes with several circumstances because of organisation's promotion policy takes into consideration, all the aspects essential for promotion of workers i.e. ability, efficiency, potentiality for further development besides one seniority and merit. For workshop department proven ability on the job is considered whereas seniority is common phenomenon at the time of traffic supervisory department promotion .

23.75% employees were not satisfied with the manner in which promotion were effected in organisation. When merit and seniority about equal, inter-personal influences become basis for promotion decision, even rationalised formal system and secondly criteria for promotion is not fixed by management it changes to some extent for every promotion.

### **5.8 Job Satisfaction :-**

18.75% employees are dissatisfied on their present job because of higher educational qualification and they have not received any promotion



since appointment. Management does not use any scientific technique for the purpose of manpower planning such as job analysis, job description etc. and these thing ultimately lead towards the job dissatisfaction among the workers.

Management is unable to pay wage/salary in stipulated time because of poor financial condition. The revenue of KMT is low over its expenses this inadequacy arises due to increasing prices of diesel and different concessional faire scheme to the public like students monthly passes, handicapped passes etc. and this concessional fair is not reimbursed by any state or local authority and secondly government does not give permission to increase the ticket rate with the proportion of increasing prices of diesel.

Employees' satisfaction with wage and salary and remedial transfer policy is very important for job satisfaction.

## **5.9 Working Hours :-**

Traffic Supervisory Department, General Administration and workshop employees are very content on present working hours, but traffic department employees such as driver and conductor are malcontent on working hours because standard timing for each route is fixed by management and working hours are calculated as per standard time and not by actual time taken for completing the route. The standard timing was fixed several years ago and is not updated with taking into

consideration the increased stoppage on route and growing traffic in the city.

### **5.10 Wage and Salary Administration :-**

The main factors influencing wage and salary administration are government legislation and policy. Capacity to pay and going rate of wage and salary were found to exercise determining influences. All employees including clerical staff, supervisor, managerial personnel traffic workers had the graded scale. There are eleven grades of pay scale in organisation.

#### **5.10.1 Wage / Salary Components :-**

Dearness allowance is common phenomenon with the wage structure of KMT with point of view to compensate the workers for increased cost of living. There are numerous systems of payment of dearness allowance. It varies from industry to industry and wage/salary slab. But in KMT it was at a flat rate of 71% on basic wage and applicable to all employees irrespective of their wage slab.

*House Rent Allowances, City Allowance and Night Allowance* are other components of wage/salary structure and its percentage is also same on basic wage without any differential to all employee.

### **5.10.2 Authorised Deduction from Wage / Salary :**

The deductions authorised under the Payment of Wage Act, 1936 which are enumerated in sec 7 (2). Those all deductions have conformity with KMT wage and salary structure, such deductions are provident fund contribution, professional Tax, installment of loan & advances etc.

Workers were not satisfactorily remunerated as general administration and traffic supervisory department employees. Majority of workers reside in the city and its suburban area and they are unable to meet their cost of living and changing vogue, with present wage and salary which ultimately lead towards, dissatisfaction among the worker about adequacy of pay.

### **5.11 Incentives :-**

LMT being a service industry, no employee has ever been benefited by monetary incentives. In all departments it might be difficult to measure the individual performance, as service performed by group of employees by jointly. In such a case individual incentives scheme did not seem to be appropriate. However there is greater scope for non-monetary incentives, because employees in the organisation are not '*economic men*' so much as they are '*ego men*' what they want above all else is credit for work done, interesting task, appreciation, approval, and congenial relation with their employer. These satisfactions they want even more than high wage, but this philosophy is also mostly neglected by management.

### **5.11.1 Workers Participation in Management :**

Workers participation in management is a way to harmonious organisational relation and improves the overall performance of an enterprise by giving an opportunity to workers to take part in those decisions which affect their wage, working condition and their very job. Response from 85% employees make it clear that they were not involved at any level in the management. Only 10% employees rarely participate in management by suggestion scheme. Various reasons were found in this regard but most affecting reason is lack of proper understanding between management and employees of the concept, purpose and benefits of the scheme and secondly there is no any specialised person from personnel management field. Considering the issue in totality, in fact there has been no clear understanding as to the meaning of workers' participation in management. It is important to appreciate entire concept as a total activity where the complete involvement of employees is essential. Management should not be confined to this for any specific department because it is essential to move all towards common goal of organisation.

### **5.11.2 Working Condition :-**

In which conditions employee work have tremendous impact on his health. It also affects efficiency, psychology and quality of work he does. The factory Act, 1948 is applicable to KMT but almost all provisions are infringed by organisation. Adequate restroom facility, urinal etc. are

totally absent in all control points which are located in different parts of city. Absence of these facilities become causes of inefficiency among the workers.

## **5.12 Employees' Benefits :-**

### **5.12.1 Non Statutory Welfare Measure :-**

Non statutory welfare measures like housing, recreation, education, medical, holiday home and leave travels facilities are not provided in organisation. A courtesy look at these provisions reveals that KMT has not realised importance of extramural welfare measures, lack of separate department of personnel and financial condition of KMT. Secondly workers' union is more interested in only financial matter which affect their wage and salary and not in welfare facilities.

### **5.12.2 Retirement Benefits :-**

The KMT recognises significance of retirement benefits of employees with taking into consideration the social security of employees and provides gratuity and provident fund on account of employees retirement to meet the new situation which quite often means, a reduction in earning or even total stoppage of earning.

### **5.12.3 Bonus :-**

Bonus is regarded as ex-gratia payment made by employer to his workers to provide a stimulus for extra efforts put by them in production process on occasion. There is no bonus scheme to any employee in KMT. The Payment of Bonus Act, 1965 does not apply to KMT. Sec 36 of Bonus Act provided a pretext to the local authority to impede payment of bonus.

### **5.12.4 Leave & Holiday :-**

All employees, irrespective of their designation are entitled to get privilege leave of 30 days, casual leave of 8 days and sick leave of 10 days without any medical certificate. Apart from this workers enjoy weekly holiday and 9 national and state holidays as per the list notified by State Government.

The State Government assumes the main responsibility for administration of Factory Act and its various provisions by utilising the powers vested in them. A factory Inspector may exercise his power for confirmations of Act provision. A Factory Inspector visits organisation every year, despite that all infringement were found in provisions of Factory Act.

### **5.13 Personal Information :-**

#### **Age :-**

50 years and above age group is highest (23.25%) among any other age group. Only 6.25% employees comes under age group 25 to 30 years. Because of number of employees recruited newly determined by number of buses in fleet. KMT can recruit new 8 employees for every bus arrival in fleet but from last several years KMT has not purchase any new buses but taking on rental basis hence required work force adjusted by daily wages workers. It means present majority of workforce recruited 15 to 20 years ago.

#### **Education :-**

While recruiting workers for workshop preferences given to those employee who have practical work experience. The number of workers recruited as per technical education criteria is very less(1.25%) because of type of industries, nature of work and management practices about recruitment. Percentage of employee who have graduate or postgraduate qualification also low (6.75%) due to presently KMT not recruited any new employee (Reason of it discussed in above paragraph). It means present workforce recruited before 15 to 20 years when awareness of education was growing at very low pace.

### **Mode of Conveyance :-**

Majority of employees (68.5%) prefer bus as a mode of conveyance to coming on duty because proportion of employee who reside in the city and its suburban area is more and KMT bus services frequently available on all routes which is free of cost to employee and secondly KMT not allowed any advances or loan at concessional rate of interest to purchase own vehicle.

## **SUGGESTIONS**

In light of the broad conclusions emerging out the present research. The scholar has made humble attempt to give some suggestion to meet the present problem of organisation these suggestions are given below.

### **A. Establishment of Personnel Department :**

For success and growth of KMT it is imperative to have a separate personnel division/department, such department assume the responsibility of utilising as well as developing human resource which is important and highly sensitive input of organisation. Once a separate department is established for this purpose. It is expected that human resource aspects will be looked after as effectively and adequately as is essential for growth of any organisation.



## **B. Recruitment & Selection :-**

The practice of recruitment and selection is most unscientific and irrational among all the aspect of management of personnel. The rationalise the same following measure should be taken.

- i) A balance between internal and external source of recruitment need to be maintained. Preference should be given to highly educated employee within organisation while filling post Assistant Traffic Inspector it help in increasing the prestige and sense of security among the workers.
- ii) Other External sources of recruitment should be used like advertisement in news paper, for hiring personnel at general administration level so it will become possible to management to select competent and efficient workforce from large pool of recruit.

## **C. Selection :-**

The attainment of organisational objective grater extent depends on the finding and placing the right man on the right job at the right time in the right place. Therefore management should follow the common selection hurdles or their own developed selection technique for each department.

Management can use following selection methods.

***For workshop*** - preliminary screening interview - work sampling - references check - physical examination.

***For Traffic Department*** - preliminary screening - Trial on the job - reference check - physical examination.

***For Traffic Supervisory*** – preliminary screening – assessment centre test – reference check – physical examination.

***For General Administration*** – preliminary screening – aptitude test - reference check – physical examination.

#### **D. Manpower Planning :**

No organisation whether big or small old or new expanding or technological reorienting can escape the need of manpower planning. Scientifically done manpower planning can achieve such healthy result as raising human efficiency and optimum utilisation of other resources, therefore management should take into consideration job analysis , job description and job specification before going to determine the number of employees newly recruit.

#### **E. Training :**

To increase and sharpen the skill, meet the challenge of changing condition and adjust to new environment, training must be given to the new recruittee as well as existing employee. KMT should organise training programmes of short duration for labour force once a year. Training device like occasional lectures, conferences etc. should be used for general administration staff.

## **F. Incentives :-**

Being a service industry in all department it might be difficult to measure the individual performance as the service performed by group of employee jointly so monetary incentives scheme do not seem to be appropriate but management should remember employee in the organisation are not '*economic men*' so such as they '*ego men*' what they want above financial incentive is, credit for work done, interesting task appreciation, congenial relation with employer. These satisfactions are more important than high wage.

**Management Should take step in this regard given below.**

*On the job rewards:*

- more responsibilities
- job rotation
- training
- special assignment
- participation in management etc.

*Awards*

- trophies
- letter of appreciation.

*Social acknowledgement*

- recognition at KMT anniversary day.

*Environment :*

- renovations
- music
- flexible hours.

**G. Welfare measures and the application of Factory Act, 1948.***Welfare measure*

To increase and improve employee morale and create helpful and positive attitude on the part of workers towards management the following step should be taken to provide.

- Adequate medical facility at unit level.
- Reading room, at central administrative office, and workshop.
- Rest room in *Gangawesh, Dasarachowk, Shahu Maidan* and *Bhawani Mandap* control point.
- Clean lunch room at all control point with adequate drinking water facility

***Labour Welfare Officer :-***

Labour welfare officer should be appointed as per the provision of factory Act 1948. (Sec. 49) They must look after welfare aspects of employee.

***Canteen Facility :***

In this regard management should not infringe the canteen facility provision as per section 46 of Act.

Department of labour should be properly equipped to check the infringement of the Act.

***Working condition :***

The working condition at the central workshop should be improved to keep it as per provision of Factory Act.

H. KMT should spend a fair percentage of wage bill in providing welfare services to employee, such as

- Suggestion Awards
- Scholarship for employees children.
- Pay for time spent in court matter in case of bus accident
- Shift premium for late night shift to workshop workers.

**I. Promotion :**

Opinion of employee about present practice of promotion is not good, rationalize the same following measure should take into consideration at the time of promotion for different department employees.

- For Assistant traffic inspector post, when seniority about equal of two employee preference should be given on the basis of educational qualification.

- Promotion to controller and time keeper, should be given on the basis of seniority only.
- In workshop, workers should be promoted on the basis of proven ability on the job.

Above measure definitely enable the management to increase the prestige and sense of security among the workers and utilise available manpower efficiently .

#### **J. Workers' Participation in Management :-**

To achieve higher productivity, greater efficiency and job satisfaction , management should practice with the worker participation in management at least two level. One is informative and associative participation which ensure that, workers are able to receive information's and offer their opinion on matter of general economic importance. And second is consultative participation, which means that on matter affecting their working condition and welfare.

#### **K. Work Committee :-**

Management should form a works committee with equal representative of employee for proper encouragement, avoid past errors and play useful role in the organisation system. Generally works committee should deal with working conditions, amenities, Safety recreational facility etc.

At the time of fixing the new bus route, route timing , bus-stop and pick-up shed, suggestion of controller, driver, and conductor must be take in to consideration because it ultimately affecting on revenue and unnecessary stoppage on route, standard timing of route and improper pickup shed become causes of accident and such events lead to mental disturbance of employee.

**L. Working Hours :-**

Especially for traffic department workers management should make efforts to genuine working hours with required rest interval to enable the workers to perform their duties happily and efficiently.

**M. Wage Time :-**

Attitude of employees regarding practice of time of wage payment, so not well. Employee wage/salary should be paid in stipulated time if there is delay due to any reason management should discuss situation with employees and get co-operation from their end.