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THEORETICAL FRAMEWORK

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Any business is sound because of its people. Personnel Management is that part of the process of management which is primarily concerned with the human constituent of an organization.

The organic, economic, social, human and national objectives can be achieved only through efficient utilization of human effort and efficiency of the employees, mostly depending upon the personnel practices of the organization.

P-E-O-P-L-E are the main subject matter of personnel management and it is its business to educate employer, managers (line and staff) and supervision, to place a high value on the dignity and work of the individual human being.

The principal component of an organization is its human resources, or people, at work. Human resources have been defined from the national point of view as the knowledge, skill, creative abilities, talents and aptitudes obtained in the population; whereas from the viewpoint of an individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes of its employees [1].

People-at-work comprise a large number of individuals of different sex, age, socio-religious groups and different

educational or literary standards. These individuals in the workplace exhibit not only similar behaviour patterns and characteristics to a certain degree, but they also show many dissimilarities, each has his own physical and psychological traits [2].

Personnel management is concerned with managing people at work. It covers all levels of personnel, including blue-collar and white-collar employees and it is concerned with employees, both as individuals as well as a group; the aim being to get better results with their collaboration and active involvement in the organization's activities.

In short, the challenge of personnel management or administration is P-E-O-P-L-E, their organization or management, their development, their wellbeing and their satisfaction.

2.1 MEANING OF MANAGEMENT:

The management of an undertaking is expected to aim at producing tangible results out of the given operations. It regulates man's productive activities through a coordinated use of material resources. Without the leadership provided by the management, the resources of production remain resources and never become production [3].

As per British Management thought, management is regarded as a generic function comprising the entire process of planning, policy-making, coordination of efforts, controlling the operations, maintaining the discipline in

order to accomplish the best possible productive results [4].

'Management' is an executive function that concerns itself with carrying out administrative policies laid down by the administration. Management directs the active operation within the enterprise and combines the work of employees and materials to produce an acceptable product or products [5].

Overall, it has been noted that management is a process of directing human activity to achieve the given objectives by harnessing the available and necessary resources.

2.2 DEFINITIONS OF 'PERSONNEL MANAGEMENT':

'Personnel Management' is variously known as 'Personnel Administration', 'Manpower Management', 'Labour Management', 'Industrial Relations', 'Employee Relations', or 'Human Resources Management'. Some of the standard definitions are:

1. It is a method of developing potentialities of employees so that they get maximum satisfaction out of their work and give their best efforts to the management [6] Pigours, Paul and Myres, Charles.
2. It is concerned with planning, organizing, directing and controlling of the procurement, development, compensation, integration of people for the purpose of contributing to organizational, individual and social goals [7] Flippo, Edwin, B.
3. Personnel administration is concerned basically with manpower or 'people', organizational resources of

output [8] Sikula, Andrew F.

4. It is a function of guiding human resources into a dynamic organization that attains its objectives with a high degree of morale and to the satisfaction of those concerned. It is concerned with getting results through people [9] Lawrence, Appleby, former President of American Management Association.
5. A 'personnel management' is the recruitment, selection, development, utilization of and accommodation to human resources by organizations. The human resources of an organization consists of all individuals, regardless of their role, who are engaged in any of the organizational activities [10] French, Wendell.

2.3 MEANING OF 'PERSONNEL MANAGEMENT':

'Personnel Management' is that part of the management function which is concerned with people at work. The purpose of personnel management is to establish and maintain sound personnel relation at all levels of the organization.

It aims at getting the best out of people by winning and maintaining their wholehearted collaboration. Personnel management is the art and science of managing the people who are engaged in productive occupation.

Personnel management will enable the industry to secure both efficiency and economy consistent with the principles of natural justice and equity, while guaranteeing the reasonable demands of different groups in the industrial system.

Personnel management is intimately concerned with human resource from the first stage of recruitment in an undertaking to the final stage of retirement.

2.4 PERSONNEL POLICY:

The dictionary meaning of 'policy' is a "plan of action" and that plan is a policy. Labour, or personnel, policy provides a wide variety of employment relationships in the organization. These guidelines identify the organization's intentions in recruitment, selection, promotion, development, compensation, organization, motivation and otherwise leading and directing people in the working of the organization. Thus, personnel policy refers to principles and rules of conduct.

2.5 AIMS OF PERSONNEL POLICIES:

Personnel policies are an expression of intents and plans of management, designed to attain the objectives of an organization. They are guide for management's decision and plan of action and govern the enterprise in its relationship with its employees. Such policies are established in consultation with the employees themselves and to ensure uniformity in action; and to give the security of knowing what to expect, these are generally always put into writing. In short, it aims at:

1. Effective utilization of human resources,
2. Maximum individual development,
3. Desirable working conditions [11].

2.6 IMPORTANCE OF 'PERSONNEL MANAGEMENT':

The role of personnel management in any working organization is assuming more and varied importance:

1. The first and the foremost responsibility of any management is 'planning'. On account of speedy technological changes, supply of skilled manpower, or personnel, assumes more importance. To ensure the supply, selection and training of personnel have to be planned.
2. Organizational pattern is changing rapidly, so employees have to be prepared to fit into this changing organizational pattern.
3. Labour force, in general, is becoming more and more sophisticated and mobile. Also, the increasing degree of economic security is available to them. Therefore, securing employee-commitment and motivation need special attention.
4. Costs on training and development of employees are adding to the investments on the workforce. Expert consultation has to be provided with the help of personnel management to gain maximum benefits from such investment.
5. Policy of government relating to employment of human resources is changing. Policy regarding minimum wage, reservation of jobs for minorities and backward classes, etc. are the examples of these. Therefore, the complexities of manpower management are increasing.

6. It has become necessary to reduce labour-cost by increasing productivity, so that increasing competition can be met effectively. Therefore, innovation and experimentation in the management of human resources have become necessary.
7. As more and more firms are entering into business activities covering overseas countries, need of getting competent managers to handle such business is increasing [12].

2.7 CHARACTERISTICS OF 'PERSONNEL MANAGEMENT':

Following are the basic characteristics of the 'personnel management':

1. It is concerned with individuals as well as groups;
2. It helps the employees to develop their potentialities and capacities to the full, to get them work-satisfaction;
3. It attempts to get willing cooperation of people to attain the desired goals;
4. It includes functions like planning, directing, controlling of recruitment, selection, development, utilization, compensation, etc.;
5. It covers all levels of personnel, blue-collar and white-collar;
6. It is of continuous nature [13].

2.8 PERSONNEL DEPARTMENT:

As personnel activities are generally of a complex nature, a separate department is organized for the purpose.

This department is variously known as the 'Personnel Department'. Generally, it is headed by Personnel Manager or Personnel Director or Labour Relations Officer, Labour Superintendent or Employment Officer, depending upon the nature of duties assigned to him and the terminology used. Following is the organizational Chart of personnel department:

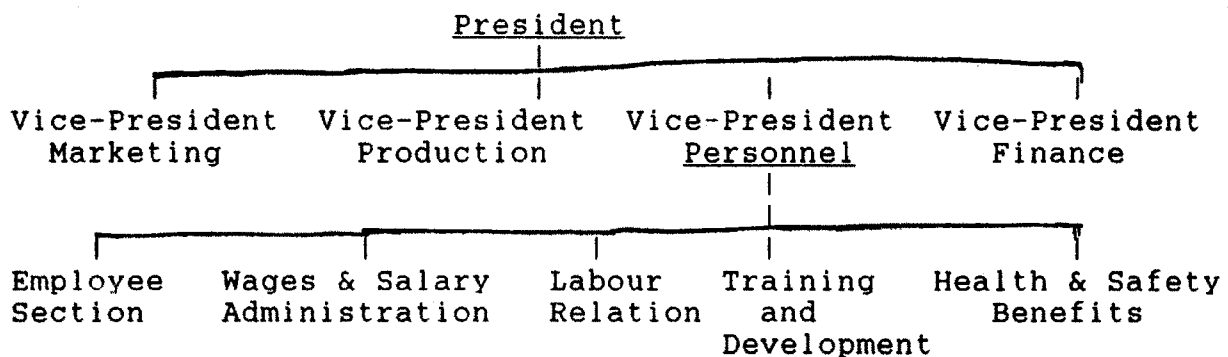


CHART 2.1

It is seen from the above chart that the personnel-incharge has under him subordinates who look after the employee section, training and development section, wage and salary administration section, health and safety and benefits section. The respective incharges of these sections are generally known as 'Employment Officer', 'Training Director', 'Wage and Salary Administrator', 'Labour Welfare Officer' and 'Security Officer' [14].

In the present-day business and industrial set-up, every big organization has no choice, but to set-up a personnel department, it is essential to lay down the objectives of a personnel department itself first, which are to produce, develop, compensate and motivate the people-at-

work for the achievements of the following organizational goals.

- Routine Goal, which provides for the maintenance needs of the employees and assure stability in operation of the organization;
- Problem-solving Goal, which seeks to deal with people's problems such as excessive absenteeism and to return the organization to equilibrium;
- Innovative Goals, which utilize dissatisfaction with the organization's equilibrium to strive to achieve a job- structure and provide positions leading to self-actualization of the employee needs;

With the help of Human resources development, following activities are conducted:

2.8.1 Recruitment, Selection and Placement:

(a) Recruitment:

'To recruit' means "to obtain fresh supplies". 'Recruitment is the process of search for prospective employees and stimulating and encouraging them to apply for jobs in an organization'. Thus recruitment is a positive process because it stimulates people to apply for jobs. Recruitment process begins only when the requisite number of persons and the requirements of different jobs are known [15].

The various sources of recruitment are classified into two groups:

- (1) Internal-Sources, i.e. recruitment from within the organization;
- (2) External-Sources, i.e. recruitment from outside the organization.

Chart 2.2 below gives an idea of the various sources of recruitment.

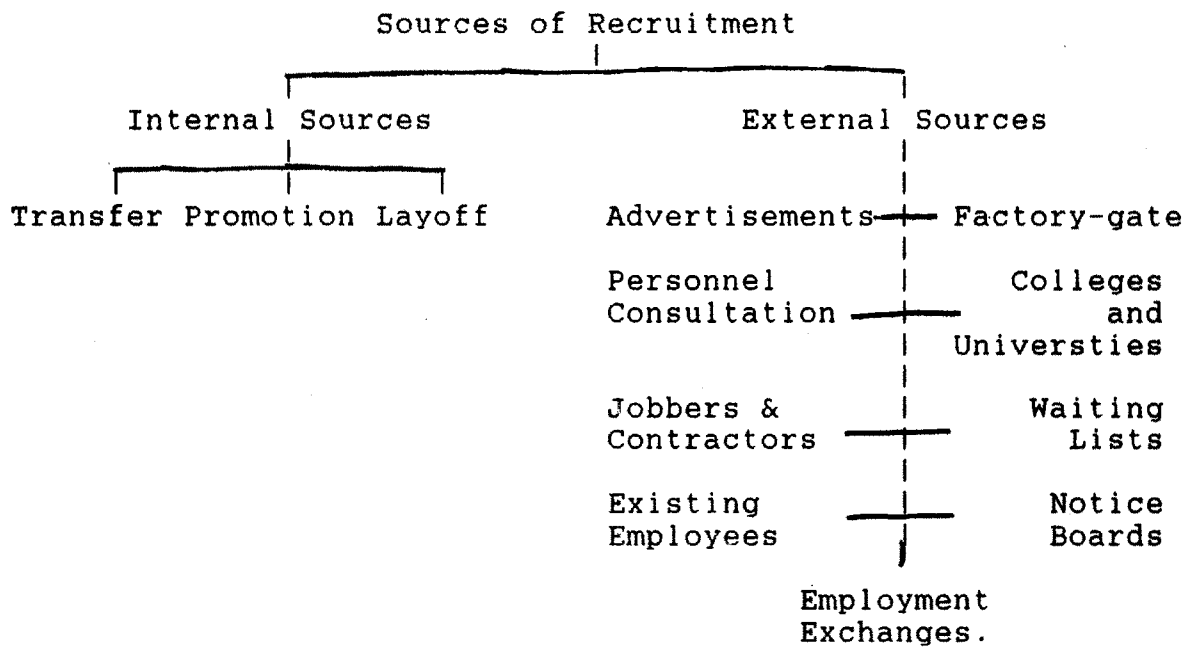


CHART 2.2

A successful and effective recruitment programme necessitates a well-defined recruitment policy, proper organizational structure, procedure for locating sources of manpower-resources, suitable methods and techniques for utilizing these and a constant assessment and consequent improvement.

(b) Selection:

Selection is the process of discovering the most suitable and promising candidates to fill up the positions

vacant. In this process, those candidates who appear to be the least promising ones are eliminated. Yoder wrote that, "recruitment is a positive process, while selection is a negative process because selection attempts to eliminate and screen the applicants, leading to only those who are best to be hired". Following usually are the steps in the selection process:

1. Scrutiny of applications received,
2. Preliminary Interview,
3. Application Blanks.
4. Tests,
5. Interviews,
6. Checking References,
7. Medical Examination, and
8. Final Selection.

(c) Placement:

Even when a person has been finally selected for the job, the selection process is not complete. 'Placement' may be defined as "the determination of the job to which an accepted candidate is to be assigned and his assignment to that job". It is a matching of what the supervisor has reason to think what he can do with the job demands (job-requirement) [16].

After selection, the employee is generally put on a probation period, ranging from one to two years, after which his employment may be regularized, provided that during this period, his work has been found to be satisfactory.

2.8.2 Training and Development:

Training is a process of learning a sequence of programmed behaviour. It is an application of the knowledge. It gives people an awareness of the rules and the procedures to guide their behaviour. It also attempts to improve their performance on the current job.

Development is a related process. It covers not only those activities which improve job performance but also those which bring about a growth of the personality.

Training is a short-term process utilizing a systematic organized procedure by which non-managerial personnel learn to implement 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 of general purpose.

Objectives of Training:

The main object of training is to prevent the obsolescence of the employees by updating their skills, knowledge, abilities, etc.

Importance of Training:

Training is important for attaining following aims:

1. To increase productivity,
2. To improve quality,

3. To organizational climate,
4. To improve health and safety,
5. To reduce supervision,
6. To reduce accidents.

2.8.3 Salary and Wages:

The primary requirement of all the employees is an adequate wages and salaries, which will commensurate with the responsibilities and duties involved.

Salary:

Salary is a compensation to an employee for the personal services rendered on weekly, monthly or annual basis. The term 'salary' is usually associated with office employees, supervisors, managers and professionals as well as technical staff.

Wages :

Wage is a remuneration paid by the employer to his employees. Wage signifies the price paid to the worker for the services he has sold to the employer. Wages are usually paid in terms of money soon after the completion of certain amount of service, like one-day, one-week, two-weeks or a month.

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 executive.



2.8.4 Working Conditions:

'Working Conditions' means "the conditions under which a person works". These leave a marked influence on his health, efficiency, psychology and the quality of the work he does. It is not possible to carry on hard work in unhealthy surroundings. Under working conditions, we also include a number of things like sanitation, dust and dirt, temperature, humidity, ventilation, lighting, etc. Good working conditions can remove various causes of instability of labourforce and also reduce absenteeism and labour turnover to a great extent.

2.8.5 Transfer:

'Transfer' is a horizontal movement of an employee from one job, section, department, plant or position to another at the same or another place, where his salary, status or responsibility remain the same. Every organization should have a just and impartial transfer policy. The purpose of 'transfer' is:

1. To satisfy organizational needs,
2. To increase the versatility of the employee,
3. To utilize properly the services of an employee,
4. To meet an employee's own request,
5. To adjust the workforce of one department or plant with that of another,
6. To help employees work according to their convenience,
7. Transfer for the maintenance of tenure system.

2.8.6 Promotion:

'Promotion' may be defined as an upward advancement of an employee in an organization to another job, which commands better pay, better status and higher opportunities, responsibilities and authority, better working environment, hours of work, facilities and higher rank. 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" [17].

A definite and well-planned system of promotions is one of the effective methods of securing contentment among the workers and creating loyalty to the organization to which they belong. Promotions policies of an organization are symbolic of the attitude of the management towards its employees.

2.8.7 Safety and Social Security:

Every organization should formulate and implement a safety procedure. The procedure to be adopted naturally depends upon the size of the organization. Safety is the primary responsibility of the management.

The organization should establish a safety programme, the primary goals of which should be to reduce the number of hazardous factors which are likely to cause accidents and to develop safe working habits among its employees. In a large organization, it is desirable to have a full-time Safety Director. The following Chart shows the type of a safety organization [18].

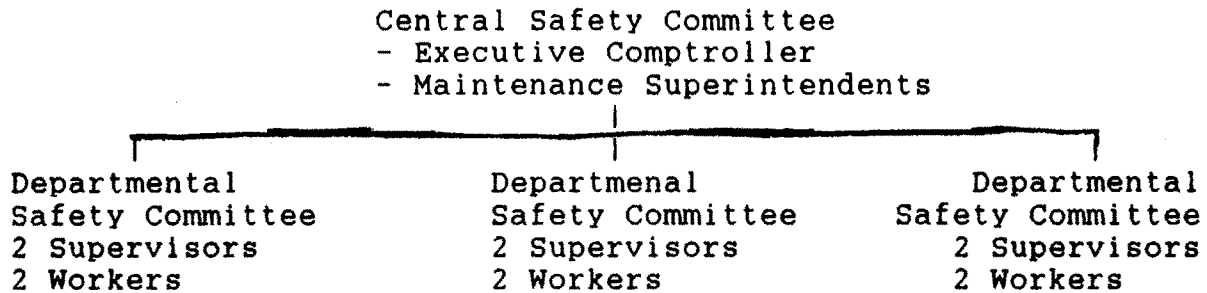


Chart 2.3

Source: US Deptt. of Labor, Bureau of Labor Standards:
'Safety Organization Bulletin', p.4.

Social Security:

Social security is a dynamic concept, which is considered in all advanced countries of the world as an indispensable chapter of the national programme to strike at the root of poverty, unemployment and disease. Social security is that security, which furnishes through appropriate organization against certain risks to which its members are exposed. These risks are essentially contingencies against which an individual of small means, or a worker, cannot effectively provide for by his own ability or foresight alone or even in private combination with his fellowmen. It is characteristic of these contingencies that they imperil the ability of the working man to support himself and his dependents in health and decency.

2.8.8 Labour Welfare:

The term 'labour welfare' is so comprehensive that it lends itself to various interpretations. It is a dynamic concept bearing a different interpretation according to the

value system, social institutions, degree of industrialization and general level of social and economic development.

According to the General Report of the International Labour Organization, workers' welfare should be understood as meaning such services, facilities and amenities which may be established in or in the vicinity of undertaking to enable the persons employed in them to perform their work in healthy, congenial surroundings and provided with amenities conducive to good health and morale.

Labour welfare activities increase the efficiency of employees, reduce the labour turnover and absenteeism and create a permanently settled labourforce [19].

Labour welfare activities may be classified as under:

1. Statutory: Every welfare State promotes the welfare of the labour by securing and protecting a social order in which justice, social, economic, political, confirms with all the institutions of the natural life. For this, some legislations are passed and it is essential for all the employers to follow the provisions of the Acts and Rules. These legislative measures generally increase with the industrial development in all the countries.
2. Voluntary: Under voluntary welfare, all those are included which are undertaken by the employers for their workers on their own. These activities are not statutory but the employers undertake these activities

because these help to increase the efficiency of the workers and maintain industrial peace.

3. Mutual: Mutual welfare activities are those activities which are initiated by the workers for their own betterment. Welfare activities undertaken by the trade unions are included under this head.

Labour welfare activities may be further divided/classified under two heads:

(a) Intra-mural Activities:

Intra-mural activities are those amenities and services, which have been provided by employers inside the factories, e.g. sanitary conditions, medical facilities, shelter, canteens, etc. These activities are part of working conditions.

(b) Extra-mural Activities:

Extra-mural activities are those amenities and services which are available to workers outside the factory, e.g. housing, medical facilities, education, recreation, etc. [20].

2.8.9 Grievance Procedure:

Grievance is a type of discontent which must always be expressed. A grievance is usually more formal in character than a complaint. It can be valid or ridiculous and must grow out of something connected with company operation or policy. It must involve an interpretation or application of the provisions of the labour contract [21].

A grievance is any discontent, or dissatisfaction, whether exposed or not, whether valid or not, arising out of anything connected with the company which an employee thinks, believes or even feels to be unfair, unjust or inequitable [22].

In the opinion of the National Commission on Labour, "Complaints affecting one or more individual workers in respect of wage payment, overtime, leave, transfer, promotion, seniority, work assignment and discharge constitutes grievances". In other words, "grievances are feeling, sometimes real, sometimes imagined, which an employee may have in regard to his employment situation" [23].

Without an analysis of the nature and causes of the grievances, it is not possible to remove them. Therefore, grievance redressal procedure should be framed and implemented. A grievance procedure is a device by which grievances are settled. Personnel administration of the organization should go into the details of the grievances and find out the best possible method of settling them. For this, a certain procedure, known as 'grievance procedure' should be followed. It is a formal process which is preliminary to an arbitration. It enables both the employer and the employee to resolve their differences in a peaceful manner [24].

2.8.10 Discipline:

The word 'discipline' connotes that the members of a

group should reasonably conform to the rules and regulations (i.e. a code of behaviour) which have been framed for it or by it, so that everyone may benefit by them. Webster's Dictionary gives three meanings of the word 'discipline'; first, it is training that corrects, moulds, strengthens or perfects; second, it is a control gained by enforcing obedience; and its third meaning is 'punishment' or 'chastisement' [25].

Aims of Discipline:

1. To obtain a willing acceptance of the rules, regulations and procedures of an organization so that organizational objectives can be attained;
2. To develop among the employees a spirit of tolerance and a desire to make adjustments;
3. To give and seek direction and responsibility;
4. To create an atmosphere of respect for human personality and human relations;
5. To increase the working efficiency and morale of the employees;
6. To impart an element of certainty despite several differences in formal behaviour patterns and other related changes in an organization [26].

Discipline is essential for the smooth running of an organization and for the maintenance of industrial peace which is the very foundation of industrial democracy. Without discipline, no enterprise would prosper [27].

2.8.11 Job-satisfaction:

According to Yoder, the work and job-behaviour are inter-connected. It assumes that if the work is to be highly motivated, it must offer opportunities to satisfy the unsatisfied needs of individuals. In the earlier view, work was not necessarily a source of any wide-range of satisfaction; many needs could be satisfied only outside the job.

'Satisfies' or 'Motivates' represent the clue to commitment and drive. Management must seek to build such factors: opportunities for achievement, recognition, challenge, responsibility and advancement into the job assignment. At the same time, management must prevent hygiene factors: policies, practices, administration, supervision, wages, working relationships and other working conditions, from becoming sources of dissatisfaction.

The concept of job satisfaction is more or less based on the following factors:

1. Job requirements and recruitment policy,
2. Aspirations of job-seeker or expectations towards employment,
3. Acceptance of employment as the set-up of working conditions,
4. Conditioning to work, to environment and to placement procedure,
5. Wage-fixation, payment, promotion, grievance-accumulation and settlement procedure.

Thus, it could be said that the feeling or impression towards job-satisfaction is based, more or less, on the factors given above [28].

2.8.12 Human Relations in the Organization:

Modern management has become increasingly aware of the fact that the 'human factor' is the most important of all factors of production. Many managers would agree that the effectiveness of their organization would be at least doubled if they could discover how to tap the unrealized potential present in their human resources [29].

In the broadest sense, human relations refer to the interaction of people in all walks of life - in schools, homes, business and government; but when a relationship exist in an organization, it is referred to as "employee human relations". Huneryager and Heckmann define the expression thus: "Human relations is a systematic, developing body of knowledge devoted to explaining the behaviour of individuals in the working organization".

Human relations is the study and practice of utilizing human resources through knowledge and through an understanding of the activities, attitudes, sentiments and interrelationships of people at work [30].

Davis observes, "Human relations is an area of management practice in the integration of people into work situation in a way that motivates them to work together

productively, cooperatively, with economic, psychological and social satisfaction [31].

Human relations is the art of getting along with people, either as individuals or as a group. It is the study of practical attempts to achieve the two separate goals of:

- greater productivity at work, and
- greater human satisfaction within organization [32].

Human relations stress the prime importance of getting a job done in an organization. They recognize the importance of the dignity, integrity and self-respect of the workers.

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