CHAPTER 1

CONCEPTUAL FRAMEWORK OF HUMAN RESOURCE MANAGEMENT

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CHAPTER – 1
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1.1 INTRODUCTION TO HUMAN RESOURCE MANAGEMENT

Every organization performs its task with the help of resources as men, machine, materials and money. Except manpower other resources are nonliving but manpower is a live and generating resource. Manpower utilizes other resources and gives output. If manpower is not available then other resources are useless and cannot produce anything. Out of all the factors of production manpower has the highest priority and is the most significant factor of production and plays a pivotal role in areas of productivity and quality. In case, lack of attention to the other factors those are nonliving may result in reduction of profitability to some extent. But ignoring the human resource can prove to be disastrous. In a country where human resource is abundant, it is a pity that they remain underutilized. In wording of Oliver Sheldon “No industry can be rendered efficient so long as the basic fact remains unrecognized that is human.” The people at work comprise a large number of individuals of different sex, age, socio religious group and different educational or literacy standards. These individuals in the work place exhibit not only similar behaviour patterns and characteristics to a certain degree but also they show much dissimilarity. Technology alone, however, cannot bring about desired change in economic performance of the country unless human potential is fully utilized for production. The management must therefore be aware not only organization but also employees and their needs. The human resource is critical and difficult to manage. It is because human behaviour is highly unpredictable. It differs not only from individual to individual but often on the part of same individual at different points of time. In spite of biological and cultural similarities, human beings not only differ in their appearance but also in their capabilities based on their background, training and experience. Human resource or a person at work is the most important component of the undertaking. Management cannot afford to ignore human resource at any cost. Management is the process of efficiently getting activities completed with and through other people. The management process includes planning. Organizing, leading and controlling activities those take place to accomplish objectives. Being a branch of management, personnel management also performs the same functions towards the achievement of objectives.
Different terms are used for personnel management. The different terms are labour management, labour administration, labour management relations, employee employer relations, personnel administration, human assets management, human resources management etc. In simple sense, human resource management means employing people, developing them, utilizing, compensating and maintaining their services in tune with the job and organizational requirements.

**Human Resource or Employees**

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, skills, creative abilities, talents and aptitudes obtained in the population; whereas from the view point of the individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes of its employees". Jucius calls these resources 'human factors' which refer to a whole consisting of interrelated, interdependent and interacting physiological, psychological and ethical components. It is this human resource which is of paramount importance in the success of any organization because most of the problems in organizational settings are human and social rather than physical, technical or economic. Failure to recognize this fact causes immense loss to the nation, enterprise and to the individual. The concepts of human resource, personnel, employees, labour force and manpower are interchangeable. We frequently use these terms one in place of the others.

**1.2 BANKING SECTOR AND HUMAN RESOURCE MANAGEMENT**

The banking sector has undergone a structural change over the past two decades, because of which a sea change could be observed in the role and responsibilities of bank employees coupled with stress. Bank employees have been facing the maximum work pressures in the process of delivering timely services to meet organizational goals and ensure customer satisfaction. Increased use of technologies and equipment, online bank transactions, increased banking habits of customers, socio-economic changes, Government and RBIs guidelines and controls and so on compounded the problem of work stress of employees causing declined quality of work life. Now, banking industry offers a wide range of financial products and services to corporate entities and retail customers through a multiplicity of delivery channels and through its specialized subsidiaries and affiliates in the areas of investment banking, life and non-life insurance,
venture capital and asset management apart from regular banking business. Bank employees have been facing innumerable problems in successfully delivering the diversity of these products and services to customers. The problems have further aggravated with poor quality of work life. Banking hours were increased to facilitate the fulfillment of customers expectations. In the rapidly changing banking environment, the responsibility of the bank employees extended further and in fact more than the other corporate workers. The bank employees who deal in money/finance related products are exposed to higher levels of stress in the changed work environment. It has adverse impact on the physical and psychological health of the employees, resulting in low quality of work life. Both employers and employees are now recognizing and appreciating the significance of the quality of work life in organizations.

Quality of work life is highly imperative to banking business performance as it aims at two objectives – (i) to enhance the productivity and (ii) to increase the satisfaction level of employees. Quality of work life is the quality of the content of relationship between employees and their total working environment with human dimensions added to the provision of services. Bank employees expect several monetary and non-monetary benefits from the bank. Hence, an attempt is made to study the quality of work life of bank employees in the light of current realities.

In quality of work life, quality of life describes a person’s or group’s standard of living environment, public health, safety and general surroundings while quality of work life encompasses things that affect their well-being such as salary and benefits. Quality of work life is increasingly a significant part of the total benefits package. It is evident from the review of literature that the studies on quality of work life concerning banking sector, particularly of an inter-sectorial approach, are scanty and not adequate to arrive at meaningful inferences. The present study is an attempt on QWL in the organized public and private sector banks. It recognizes the various factors involved in the quality of work life, job satisfaction and performance of employees in the banking sector.

1.3 HUMAN RESOURCE MANAGEMENT AND QUALITY OF WORK LIFE (QWL)

Human resources play a very important role in the success of an organization and therefore, management of human resources assumes significance. Varied factors affect the management of human resources. One such factor is Quality of Work Life (QWL). It
is a philosophy, a set of principles, which holds that people are the most important resource in the organization as they are trustworthy, responsible and capable of making valuable contribution and they should be treated with dignity and respect. The elements that are relevant to an individual’s quality of work life include the task, the physical work environment, social environment within the organization, administrative system and relationship between life on and off the job.

The term, “Quality of Work Life” has appeared in research journals and press in USA only in 1970s. Louis Davis introduced the term, “Quality of Work Life”. The first International QWL conference was held in Toronto in 1972. The International Council for Quality of Work Life was established in 1972. From 1980 onwards QWL was increasingly made past of employee-centered productivity programmes. In the mid-1990s till today faced with challenges of economizing and corporate restructuring, QWL is re-emerging where employees are seeking out more meaning in view of rising educational levels and occupational aspirations. In today’s slow economic growth and reduced opportunities for advancement, naturally, there are rising concerns for QWL and for career and personal life planning. In India, QWL offers a value frame and the social technology of organizational change leading to task effectiveness of micro-entities through utilization and unfolding of human potential. Quality is no more a specialized word but has become a necessary and a must for the survival of the best. In this era, quality of human inputs is the greatest asset to any organization. Maintaining the quality of such human inputs raises the quality of work life. Rise in the quality of work life would help employee’s wellbeing and, thereby, the wellbeing of the whole organization. This is an attempt to capitalize on the human assets of the organization.

People conceive of QWL as a set of methods, such as autonomous work groups, job enrichment and high-involvement aimed at boosting the satisfaction and productivity of workers. It requires employee commitment to the organization and an environment in which this commitment can flourish. Thus, QWL is a comprehensive construct that includes an individual’s job related well-being and the extent to which work experiences are rewarding, fulfilling and devoid of stress and other negative personal consequences. In addition, it is a process of joint decision making, collaboration and building mutual respect between management and employee. It, thus, refers to the quality of relationship between employees and the total work environment.
1.4 QUALITY OF WORK LIFE

"QWL is a complex and multifaceted concept implying a concern for the members of an organization, irrespective of the level they belong to."

Quality of work life is concerned with making the employees service time pleasant, giving them sufficient wages and salaries, so that his family life may become comfortable. He is given due importance in the organization to that his sense of self respect and pride is satisfied. Now the employees are not satisfied with their present job or work environment. He must of course get fair wages. Besides, he wants that his work place is free from troubles. There is enough light and ventilation, there is enough space for movement around and he gets defect free equipments and machines. He wants to work with such coworkers, with whom he enjoys doing work. He wishes that he should also be consulted or at least he should have some say in the decisions that management takes affecting his job. The decisions about his overtime work or about his transfer should be so taken that his family life is not disturbed. This is in short the concept of Quality of Work Life.

This concept has assumed increasing interest in both industrialized as well as developing countries. It is not simply increasing wages and salaries. It is something more than that. It is much more than labour welfare activities prescribed by labour laws. It includes everything that makes his working life less tiresome, less boring. It includes job rotation, job enrichment, it includes participation of employees in management, it is concerned with forming semiautonomous work groups. It includes the concept of democracy.

1.4.1 Meaning of Quality of Work Life

QWL includes all those methods by which the working life of workers and other personnel gets improved. Some of the definitions of QWL arc given below:

1) American Society of Training and Development has defined it as follows. "QWL is a process of work organizations which enables its members at all levels to actively participate in shaping the organization's environment methods and customs. This value based process is aimed towards meeting the twin goals of enhanced effectiveness of organization and improved quality of life at work for employees."

2) Cohen and Rosenthal describes it as "an internationally designed effect to bring
about increased labour management cooperation to jointly solve the problem of improving organizational performance and employee satisfaction."

3) **Ozley and Ball** of the American Centre for the Quality of Working Life developed the following definition. "Quality of Work Life improvements are defined as any activity which takes place at every level of an organization, which seeks greater organizational effectiveness through the enhancement of human dignity and growth....It is a process through which the stakeholders in the organization-management, unions and employees leader how to work together better to determine for themselves what actions, changes and improvements are desirable and workable in order to achieve the twin and simultaneous goals of an improved quality of life at work for all members of the organization and greater effectiveness for both the company and the unions."

4) **Glaser writes** "QWL is a process by which all members of the organization, through channels of communication, have some say about the design of their jobs in particular and the work environment in general."

From the above definitions, the following features of QWL are made clear:

- Efforts are made to bring about employee's job satisfaction.
- It includes steps to enhance human dignity and growth of employees.
- It implies the concept of how to work together better.
- It involves giving decision freedom to autonomous groups of employees.
- It has twin goals of improving quality of work life for employees and achieving greater effectiveness of the organization

**1.4.2 Characteristics of Quality of Work Life**

From the above discussion, we can derive the following characteristics of QWL:

1) **Encouraging Human Dignity and Growth:** As the human values are respected, there is an encouragement to human dignity and growth of personnel. Their dignity is maintained and they get opportunities for growth in the company itself.

2) **Consideration for Personnel, Job and Organization:** It is not concerned with the progress of organization only. It also considers the growth of employees and design
of jobs. Besides, it thinks about the work place or working environment. The organization includes not only the business unit, but the unions also. There are efforts to coordinate the organization, jobs and policies and procedures.

3) **Work Changes:** In order to remove the monotony and boredom of workers, work changes are considered. Job design is given due importance with this object in view. The employee’s arc transferred from one job to another in case of job rotation. Job enrichment is a part of QWL, in which the job is made challenging and there is vertical addition of different type of job. Job enlargement is also a part of it in which there is a horizontal addition of a job on which the employee is working.

4) **Integration of Objectives of Employees and Organization:** QWL thinks of not achieving objectives of the organization only but also of the personnel working in the organization. In fact, there is an integration of objectives of both. Maximization of profit of the organization and personal development of employees both are sought to be achieved.

5) **Work and Co-operation:** Money is a very powerful motivating factor. The employees expect a fair compensation for the efforts they put in the job. Hence in the concept of QWL, the principle of efforts and rewards is fulfilled. Equal pay for equal work is the basic principle. Promotion is based on performance appraisal.

6) **Satisfactory Working Conditions:** The work place environment must be such that the employees feel delighted to work in that environment. It must be comfortable. The building must be properly constricted; there must be proper lay out, lighting arrangement, ventilation, control of noise and vibrations. Safety measures, accident prevention; all these go to make the work place a safe and satisfactory. This will have a favorable effect on his physical and mental state of affairs and as a result his efficiency will improve.

7) **Participative Management:** QWL implies participation of employees in management. Of course they may not be made directors. But in all important matters affecting them, they are consulted. Participative Management leads to industrial democracy. It is an important factor for work satisfaction.

8) **Job Satisfaction:** The employees must get job satisfaction from the work they perform. Job satisfaction is concerned with mental state of workers. When they enjoy...
working in the organization and feel satisfied with their work, it leads to job satisfaction. It reduces stress.

9) Work with Co-operation: It is necessary that in organization, upper level officers, departmental heads. Employees and workers work with cooperation with one another, so that conflict does not arise. Necessary steps, changes and improvements for this are essential.

1.4.3 Elements or Constituents of Quality of Work Life

Various authors differ in their opinions about what constitutes QWL. Some feel that improvement in working condition leads to better working life, while others feel that fair wages and job security are essential elements of QWL. One well-known author Shri Richard Walton has identified following aspects which constitute QWL.

1) Adequate and Fair Remuneration: Fair remuneration means wages which are adequate looking to the efforts involved. It will be based on result of job evaluation, ability of the company to pay wage rates prevailing in the market. Demand of talent and skills etc. One thing is certain that the wages paid to them must be enough for employees to live without stress in the modern world.

2) Safe and healthy working conditions: The work environment must be free from risks or other factors harmful to health and safety of the employees. Walton has specially emphasized reasonable hours of work, zero-risk physical conditions of work and age restrictions in this connection. Of course, provisions for safety measures are included in India in the Factories Act. But QWL implies something more than these minimum provisions of labour laws.

3) Opportunity to use and develop human capacities: The work today has become repetitive and cheerless. The worker simply works on the machine without much interest. The QWL demands that there should be variety in jobs, which require wider range of skills and abilities. The concepts of job rotation. Job enlargement and job enrichment have developed out of these needs.

4) Opportunity for continued growth: Here the emphasis is not on job but on the career opportunities. The employee is interested in personal growth from which he will be able to derive job satisfaction. Hence it is essential that career guidance must
be provided to him, information about job opportunities in the company must be given to hint and training and education for advancement must be arranged for him.

5) **Social integration in the Work Organization:** It is necessary for improving QWL that the employee must have identity with the organization and develop a feeling of self-esteem. It is necessary for this purpose to develop sense of belonging and team spirit in the employees. There must be an atmosphere in which everybody has an equal opportunity to progress, no discrimination on the bases of caste, creed, sex or religion. There must be social integration among employees.

6) **Constitutionalisation in the work organization:** Even employee must get equal rights as per the constitution of the organization. He must have all rights which every citizen of a nation gets under the constitution. They must be guaranteed the right to personal privacy, free speech, equal treatment and governance by the rule of law.

7) **Work and the total life space:** The QWL demands that the life of the employee outside the organization and his family life must not be affected adversely. Working for late hours, frequent travels, quick transfers etc. are costly both psychologically and socially. The workers will work under stress. These must be avoided.

8) **Social relevance of work life:** If the company does not fulfill its social obligations and indulges in activities which harm the society at large, the employees would feel ashamed of working in the company. E.g. lack of waste disposal, pollution, low quality product, undesirable marketing practices and employment practices all will affect the self esteem of employees. The QWL demands that the company remains away from them and fulfills its social responsibility.

9) Broadly speaking, the above eight criteria constitute QWL. But it is possible that all of them may not be relevant for certain employees, because the concept of QWL is the result of satisfaction or dissatisfaction of employees themselves. Hence what is QWL is finally defined by the worker himself.

1.4.4 **Strategy of Quality of Work Life or Steps for Improving Quality of Work Life**

The following strategy can be derived from the discussion of various authors on what steps should be taken to improve quality of work life.
1) **Semi-autonomous Groups:** Groups of 12-20 employees doing similar type of work must be formed and they must be made semi-autonomous. They must be delegated authority to take decisions regarding their work. E.g. they must have the authority to fix their own output goals, they should prepare their own schedule of work to be done, the group may elect a group leader, vacancies are filled by team members who interview and appoint persons. The team will determine pay increases on the basis of their performance and ability, and even performance appraisal is carried on by them. In some companies the group is allowed to do purchasing, inventory and quality control activities. They appoint their own leader to communicate with management. Thus the forming of work groups will lead to the achievement of organizational goals, just as it was observed in case of Hawthorne experiments.

2) **Job Changes:** Job changes are introduced to remove the fatigue and boredom of employees. In fact, the concept of QWL has originated from Herzberg's job enrichment concept. For removing the monotony of routine work, the use of job rotation, job enlargement and job enrichment have become common. In case of job rotation, employee is transferred from one job to another involving same type of skill. In case of job enlargements, an employee is asked to do some additional work closely connected with his present work. E.g. an operator of a machine is asked to set the work on the machine himself. Job enrichment is concerned with allotting the job involving more responsibility, so that the work becomes challenging.

3) **Job Safety:** In order that the worker has no fear of accidents, it is necessary that enough provision must be made for safety of workplace. The tools and equipments must be standardized, the maintenance of machines must be undertaken at regular intervals and workers must be provided with equipment for safety where the work involves some risk. With all these precautions the workplace will be safe and workers can work with peace of mind.

4) **Proper Physical Conditions:** It has been concluded from a number of surveys carried on by experts that provision for enough natural or artificial lighting, proper ventilation, enough space for movement around the machines, proper colour work on walls etc. have a favorable effect on the attitude and nature of workers. Hence it is the duty of the management to provide proper physical conditions at work place.
5) **Participative Management:** One important aspect of improving QWL is participation of workers in management. If workers are made partners in important decision-making, it will satisfy his sense of self-esteem. Hence in some companies advisory groups of workers are formed, or workers are made the members of consultative committees. Sometimes a representative of the worker is appointed on board of directors of the company. So that, they have some voice in the important decisions taken. Some companies issue shares to their employees and make them copartners. They can take part in important decisions as shareholders in general meetings. In India Tata Iron and Steel Co. Ltd. started this practice and since then a number of companies have adopted it. The employees feel satisfied that they take part in important decisions of the companies. This develops a sense of belonging to the company and their sense of self-esteem is satisfied.

6) **Career Development** One of the important constituents is the career planning and development. The management tries to see that they make their career in the company, they continue to make progress and go on getting promotions to higher positions as and when opportunity arises. The company prepares them for higher posts by training and education. They are given career guidance by managers or by expert counselors. They are given proper information about the opportunities for advancement in the company looking to their ability and skill: Thus the management cares for career of their employees.

7) **Quality Circles:** This is a Japanese method in which various groups of employees hold meeting once in a week voluntarily. They discuss how the quality of goods can be improved and suggestions are made to the company. They also discuss what changes can be made in production process so as to save expenses and increase productivity. The company provides necessary facilities to workers in this respect e.g. allocation of space for holding meeting, allocation of time and all necessary facilities are provided. This quality circle movement has contributed a great deal to the achievement zero-defect production of Japanese companies.

8) **Welfare Measures:** Provisions of welfare facilities and social security schemes have important contribution to make in improving quality of work life. Besides welfare schemes prescribed by labour laws, the management must provide subsidized lunch, provide medical facilities, entertainment facilities, provision of housing accommodation etc. Schemes of pension, provident fund, gratuity, bonus, profit
sharing etc. make the work life tension free and comfortable.

9) **Steps to Remove Stress:** An employee experiences stress on the work place due to a number of factors. Of course mild stress leads to progress and efficiency, but beyond a point stress will lead to high blood pressure, heart attacks and a number of other diseases. Hence the management must see to it that the employees do not fall prey to unnecessary stress. For this purpose, they must be placed on jobs according to their ability and skill must get proper wages, provision must be made for physical exercises and meditation, and job changes must be undertaken. Quality of work life will improve only when the employee is tension free.

10) **Removal of Grievances:** Provision must be made for redressal of grievances and complaints of employees, in respect of their jobs or supervision or about some policy of management. If possible grievance committees must be formed for each department which will have to dispose of the complaints of workers within a specified time limit. If their grievance is not removed, special officer must be appointed to look into the complaints and the employee should be entitled to make an appeal to him. Finally, if the grievance is still not removed. The top management must take up the matter. The employee will put forth his best efforts only when his grievance is removed.

11) **Performance Appraisal:** It is for the improvement of QWL, that the company must undertake performance appraisal. Self appraisal is perhaps the best way. If the employee himself evaluates his performance, he will be able to see for himself how far he has not been able to achieve the target and what extra time he has to take. This will lead him to find out his own deficiencies and he will try to improve.

1.4.5 **Importance of Quality of Work Life**

QWL is one of the very interesting concepts of motivation. It implies the systems approach to job design. It guarantees success in the wide range of job enrichment. It is a mixture of industrial and organizational psychology and sociology, industrial engineering, principles and growth of organization, motivation, principle of leadership and industrial relations. Its importance has increased considerably after 1970. One finds hundreds of case studies, practical programmes and numerous centers of QWL.
As Keith Davis has put it, "QWL produces a more humanized work environment. It attempts to serve the higher order needs of workers as well as their more basic needs. It seeks to employ the higher skills of workers and to provide an environment that encourages them to improve their skills. The idea is that workers are human resources that are to be developed rather than simply used. Further the work should not have excessively negative conditions. It should not put workers under undue stress. It should not damage or degrade their humanness. It should not be threatening or unduly dangerous.

1) **Job Satisfaction:** Now employees are not satisfied with getting only wages or salaries. He expects job satisfaction also. When working environment is good, when he knows the importance of his job and when he gets sonic share in decision making, he gets job satisfaction.

2) **Decrease in Labour Turnover:** The concept of QWL has been fully utilized in Japanese business enterprises. As a result, an employee remains in the company for the whole of his working life. In Volvo Company of Sweden the turnover rate was reduced by 40% as a result of emphasizing QWL.

3) **Decrease in Absenteeism:** It is natural that a worker would not like to remain absent, if his work environment is not boring or tiresome, if the supervisors' behavior is sympathetic and if there is co-operation among workers. It can thus be said that the absenteeism is reduced where there are efforts on the part of management to improve QWL. In Volvo Company of Sweden the rate of absenteeism was reduced by 20%. In Sherwin - Williams company's automobile paint manufacturing plant, the percentage of absenteeism was 2.5% while the company average was 6.7%.

4) **Increase in total output:** In Hawthorne experiments, efforts were made to measure productivity by forming work group of workers having similar characteristics. It was found that productivity had considerably increased. The productivity and total production are bound to increase where management is constantly making efforts to improve QWL and so the employees are motivated and their morale is high.

5) **Improvement in Quality:** In a company where QWL is taken care of production increases and along with it. There is an improvement in the quality of production too. There is a feeling of belonging to the company among employees and so they work with the feeling of pride that they have made it contribution, in such circumstances
the quality is bound to be high.

6) **Cost Reduction:** When worker handles everything carefully, there is bound to be less wastage and more production. This will bring down the cost of production per unit, and this benefit may be passed on to the customers also.

7) **Reduced Fatigue and Boredom:** Job enrichment is a very important tool for improving QWL. Its aim is to reduce fatigue and boredom of employees. If the fatigue is reduced, if work becomes interesting, then the morale of employees improves, they work with enthusiasm and tries to remain in the same company for a long time.

8) **Sense of Pride Satisfied:** participative management is very much a part of QWL. Wherever any important decisions are to be taken, all employees are consulted. Many times semi-autonomous work groups of workers are formed and they are given decision-making freedom in respect of their work schedules and work methods. This leads to satisfaction of their self-esteem. One of the high order needs of employees as mentioned by Maslow is satisfied.

9) **Development of Employees:** The company arranges for career guidance to employees as a part of improvement in quality of work life. This assists the employee to develop himself in the company itself, training and development programmes are undertaken to prepare them for higher posts. The employees are allotted jobs which suit their skill ability, qualifications and intellectual level. This leads to his all round development.

10) **Industrial Harmony:** Where the employees remain satisfied with their jobs. There is no question of strikes or lockouts. Employees believe that the management is constantly trying to make their work life comfortable and so they do not oppose the management on an issue.

11) **Improvement in Standard of Living:** Whereas sincere efforts are made to improve QWL, not only the company has been benefited but worker's monetary benefits have also increased.

12) **Raises the Prestige of Company:** In case of a company which cares for QWL of its employees, the employees themselves become the advertisement media. He expresses
his feeling “This is my company. I get pleasure in working with my company.” before various sections of the society. The name of the company is considered to be a prestigious one only because the company has tried to improve the quality of work life. Besides, due to cost reduction and improvement in quality, the prestige of the company is raised in the eyes of customers and investors also.

13) Development of Social Relations: When work groups are formed as a part of QWL, and they are given some decision-making freedom, there arises social integration among members of work groups. They work with co-operation. They help each other in their difficulties. Even they are helpful in their family life too. Social relations develop even among various work groups. Satisfied workers do not envy others and so there is an atmosphere of co-operation.

1.4.6 Limitations of Quality of Work Life

Following are the limitations of QWL:

1) Lack of Management Support: No programme or project of employee welfare can be successful without the active support of management. Management has to provide resources for them; it has to take important decision regarding such programmes. If they are not serious about it, they cannot be successful. If such programmes fail, the employees will oppose management and the atmosphere will be vitiated.

2) Expensive: Expenditure has to be incurred on large scale for improvement of QWL. Programme for improvement in working conditions, changing the production technique for the satisfaction of workers, arranging for career planning and guidance and appointing experts etc. involve a good deal of expenditure, which all companies cannot afford. However, it can be said that it is always beneficial if implemented even in parts.

3) Delay in Decision-making: Whenever employees are given a part in decision making, they are not able to take decision promptly. It takes time to put proposal before them and give them time to discuss it and take decision. It will delay the ultimate decision, while in many cases prompt decisions are to be taken in the interest of business.

4) Immature Decisions: Participative management is an important aspect of QWL. But
it is uncertain as to how far it can succeed. In countries like India where labour leaders are mischievous political workers who are not interested in anybody's welfare except their own and where workers are mostly illiterate, the system of participative management is not likely to succeed. Decisions taken are likely to be immature looking to the level of education and training of workers and employees.

5) **Danger of Failure:** In order to implement the QWL programme, it is necessary to make alteration in the organization structure and in production methods. Forming semi-autonomous groups of workers, giving them decision-making powers, changing continuous method of production to production of complete product by groups etc. are all risky. It may be that such changes may fail and the company may have to be closed down. Many companies, therefore, hesitate to implement QWL programmes due to such uncertainly.

6) **Lack of Communication:** A project, however beneficial, will not succeed, if it is not communicated properly to the parties for whom it is made and its benefits are not properly explained to them. In the same way, the programme of improvement of QWL will not succeed if it is not communicated to employees in its proper perspective. The employees would feel that whatever the management is doing, it is in their interest only.

7) **Few positions in Small Companies:** One of the important aspects of QWL is that there is career planning for employees and they are given opportunity for advancement in the company itself on higher positions. But in case of small companies. There are not enough higher positions and so it is not possible for employees to make progress. Hence the programme for improvement of QWL will fail.

8) **Ever-increasing Demand of Employees:** In India it is the attitude of employees and labour leaders to go on raising one demand after another. In case of programmes of improvement in OWL, just as management goes on giving more facilities, the employees and their leaders go on making more and more demand. They are never satisfied. Particularly in countries like India where labour leaders are selfish and they do not care for long-term interest of workers such situation is bound to arise.
1.4.7 Principles of Quality of Work Life

Basically QWL is a method of humanization of work. It involves basically the development of environment of work that stimulates the creative abilities of the workers, generates co-operation, and interest in self growth. Herrick and Maccoby have given following four principles which lead to humanization of work.

1) Principle of Security: Freedom from anxiety, fear and loss of employment is necessary for humanization of work. The working conditions should be safe; there should be no fear of financial difficulties. There should be development of skill and ability of employees only if these preconditions exist.

2) Principle of Equity: If rewards are not equal to efforts, the employees will develop a feeling of hostility towards management. Hence it is necessary that wages and other benefits must be equal to the efforts and skill put in by employees. Besides, equity also requires that there should be sharing in the profits of the company according to individual and group contribution.

3) Principle of Individuation: This principle implies that the work environment must be such that the employees are encouraged to develop themselves to their utmost capacity. It requires that there must be freedom and autonomy in deciding their own speed of working, quantity of production and method of work.

4) Principle of Democracy: This principle also implies that there should be greater authority and responsibility assigned to workers. If there are increasing controls, close supervision and concentration of authority, it will obstruct humanization of work. There should be meaningful participation in decision-making by the employees.

1.4.8 Recommendations based on the Seminar by National Productivity Council of India in 1981

National Productivity Council of India organized a national seminar on improving quality of work life in 1981. The seminar made following recommendations on the responsibilities of various agencies in improving QWL.
(A) Responsibilities of Employers

1. Provision of physical amenities at the work place, health and safety and welfare provisions.
2. Involving workers in decision-making on all matters.
3. Initiating suitable forms of work design.
4. Formalization of QWL experience for future use.
5. A re-examination of policies of work.
6. Developing an appreciation of changing environment.

(B) Responsibilities of Unions and Workers

1. Educating and making workers aware of QWL.
2. Search areas of collaboration with management.
3. Identifying ways and means to satisfy workers' needs through non-monetary alternatives.
4. Organizing labour in the unorganized sector and specially making them aware of QWL.
5. Encouraging workers to participate in QWL activities.

(C) Responsibilities of Professional Organizations

1. Organize workshops and seminars to bring about greater awareness of QWL.
2. Initiate specific research projects in this field.
3. Provide professional assistance to organization to help generate internal competence.
4. Developing state-of-art profiles of QWL.
5. Developing special programmes for various classes of workers.
6. Developing a network for collection, storage and dissemination of information on QWL.

(D) Responsibilities of the Government

1. Legislating standards and norms in newer areas.
2. Change in policy to provide greater autonomy to experiment with QWL.
3. Executive action to ensure implementation of legislated facilities.
4. Encouragement and adoption of appropriate technology.
1.5 JOB SATISFACTION

1.5.1 Introduction

Job satisfaction is one of the important factors that have drawn attention of the organization as well as academicians. In view of the rising competition as a result of globalization; managers have placed great importance on the construct of job satisfaction. This may be due to the findings of many studies that job satisfaction is a significant determinant of organizational commitment. Highly satisfied employees will exert extra effort and contribute positively to the effectiveness and efficiency of their organizations. Job satisfaction will lead to better performance and the employees will be more committed towards their organization. Hence, the theoretical concept of framework is presented to have the conceptual clarity about job satisfaction.

1.5.2 Meaning and Definition of Job Satisfaction

Job satisfaction refers to an individual's complex attitude towards his job. It is a pleasurable emotional state resulting from the appraisal of one's job as achieving as facilitating the achievement of one's job value. According to Vroom (1964) the term 'job' refers to workers' immediate work task and work role in a particular work organization. As a generic concept, satisfaction may be described in a behavioural perspective. Individual or organizational behaviour is believed to be goal directed. He also observed that job satisfaction is, "the positive orientation of an individual towards all aspect of the work situation". Each human action has a primary motivation and most actions are attempts to maximize satisfaction by fulfilling multiple motivations, some of which are identified by Maslow (Maslow, 1943). Accordingly the meaning of satisfaction in common usage, satisfaction occurs when one gets what he needs, desires, wants, expects, deserves or deems to be his entitlement. According to Hoppock (1935), "Job satisfaction is any combination of psychological, physiological and environmental circumstances that cause a person truthfully say I am satisfied with my job". Such a description indicates the variety of variables that influence job satisfaction. Blum (1968) conceptualized job satisfaction as "an attitude which results from a balancing and summation of many specific likes and dislikes experienced in connection with the job". Locke (1969) defines job satisfaction as a "pleasurable or positive emotional state
resulting from the appraisal of one's or job experiences". On the basis of these definitions it may be concluded that job satisfaction is a complex set of variables governed to a large extent by perception and expectations of the employees. In the present study, job satisfaction is conceptualized as, “a positive attitude or a pleasurable emotional state which results from specific work related experiences”.

1.5.3 Dimensions of Job Satisfaction

There are three important dimensions to job satisfaction.

1) Job satisfaction refers to one’s feeling towards one’s job. It can only be inferred but not seen

2) Job satisfaction is often determined by how well outcomes meet or exceed expectations. Satisfaction in one’s job means increased commitment in the fulfillment of formal requirements. There is greater willingness to invert personal energy and time in job performance.

3) The terms job satisfaction and job attitudes are typically used interchangeably. Both refer to effective orientation on the part of individuals towards their work roles which they are presently occupying. Positive attitudes towards the job are conceptually equivalent to job satisfaction and negative attitudes towards the job indicate job dissatisfaction.

1.5.4 Consequences of Job Satisfaction

High job satisfaction may lead to improved productivity, increased turnover, improved attendance, reduced accidents, less job stress and lower unionization.

Job Satisfaction Productivity

The relationship between satisfaction and productivity is not definitely established. The consensus, however, is that in the long run job satisfaction leads to increased productivity. But, four decades of research into this issue, unfortunately, does not lend support to this belief. First, the relationship between job satisfaction and job performance is weak. Second, there is more evidence to suggest that job performance leads to job satisfaction and not the other way round. An employee who performs well in his job gets both intrinsic and extrinsic rewards which will lead to high satisfaction. A poor performer will feel worse about his incompetence and will receive fewer rewards. He will be less
satisfied with his work experiences. Third, there are some conditions under which high productivity more clearly leads to high job satisfaction. One condition is that the employees perceive that intrinsic and extrinsic rewards are contingent upon their productivity. The second condition is that the extrinsic rewards (pay, for example) may be distributed equitably. Inequitable distribution fails to convince the employee’s close correlation between hard work and rewards. However, the adage “a happy worker is a productive worker” is not always wrong. True, there may not be a relationship between job satisfaction and productivity; performance may be affected indirectly by absenteeism or turnover which is related (negatively) to satisfaction.

Job Satisfaction and Employee Turnover

High employee turnover is of considerable concern for employees because it disrupts normal operations, cause morale problems for those who stick on, and increases the cost involved in selecting and training replacements. The employer does whatever possible to minimize turnover, making the employees feel satisfied on their jobs, being one each. The connection between job satisfactions to employee turnover is established beyond doubt. It has been demonstrated that workers who have relatively low levels of job satisfaction are the most likely to quit their jobs and that organizational units with the lowest average satisfaction levels tend to have the highest turnover rates.

However, the withdrawal behaviour of employees is modified by certain factors. Loyalty to the organization is one such. Some employees cannot imagine themselves working elsewhere, however dissatisfied they are in their present jobs. Availability of other places of employment also influence turnover. Even if greener pastures are available, an employee does not mind going in search of them, notwithstanding the present level of job satisfaction he enjoys.

Satisfaction and Absenteeism

Correlation of satisfaction to absenteeism is also proved conclusively. Workers who are dissatisfied are more likely to take “mental health” days, that is days off not due to illness or personal business. As in turnover, absenteeism is subject to modification by certain factors. The degree to which people feel that their jobs are important has a moderate influence on their absences. Employees who feel that their work is important tend to clock in regular attendance. Besides, it is important to remember that while high job
satisfaction will not necessarily result in low absenteeism, low satisfaction is likely to bring about high absenteeism.

**Satisfaction and Safety**

Poor safety practices are a negative consequence of low satisfaction level. When people are discouraged about their jobs, company and supervisors, they are more liable to experience accidents. An underlying reason for such accident is that discouragement may take one’s attention away from the task at hand. Inattention leads directly to accidents.

**Satisfaction and Job Stress**

Job stress is the body’s response to any job related factor that threatens to disturb the person’s equilibrium. In the process of experiencing stress, the employees’ inner state changes. Prolonged stress can cause serious ailments such as heart disease, ulcer, blurred vision, lower back pain, dermatitis, and muscle aches to the employees. Chronic job dissatisfaction is a powerful source of job stress. The employee may see no satisfactory short term solution to escaping this type of stress. An employee trapped in a dissatisfying job may withdraw by such means as high absenteeism and tardiness, or the employee may quit. Employees under prolonged stress stemming from job dissatisfaction often consume too much alcohol, tobacco and drugs. These employees are costly to the management in terms of time lost due to frequent absences and increased payments towards medical reimbursements.

**Unionization**

Job dissatisfaction is a major cause for unionization. Dissatisfaction with wages, job security, fringe benefits, chances for promotion and treatment by supervisors are reasons which make employees join unions.

**Other Effects of Job Satisfaction**

It has been claimed that satisfied employees tend to have better mental and physical health and learn new job related tasks more quickly.
1.5.5 Sources of Job Satisfaction

Several job elements contribute to job satisfaction. The most important amongst them are wage structure, nature of work, promotion chances, polices of the organisms, work group and working conditions.

Wages

Wages play a significant role in influencing job satisfaction. This is because of two reasons. First, money is an important instrument in fulfilling one’s needs; and too, employees often see pay as a reflection of management is concern for them. Employees want a pay system which is simple, fair, and in line with their expectations. When pay is seen as fair, based on job demands, individual skill level, and community pay standards satisfaction is likely to result. What needs emphasis is that it is not the absolute amount paid that matters, rather it is one’s perception of fairness.

Nature of Work

Most employees crave for intellectual challenges on jobs. They tend to prefer being given opportunities to use their skills and attitudes and being offered a variety of tasks, freedom, and feedback on how well they are doing. These characteristics make jobs mentally challenging. Jobs that have too little challenge create boredom. But too much challenge creates frustration and a feeling of failure. Under conditions of moderate challenge, employees experience pleasure and satisfaction.

Promotions

Promotional opportunities affect job satisfaction considerably. The desire for promotion is generally strong among employees as it involves change in job content, pay, responsibility, independence, status and the like. An average employee in a typical government organization can hope to get two or three promotion in his entire service, though chances for promotion are better in the private sector. It is no surprise as the ultimate achievement in his career is realized, he feels extremely satisfied.

Supervision

There is a positive relationship between the quality of supervision and job satisfaction. Supervisors who establish a supportive personal relationship with subordinates and take a personal concern in them contribute to their employees' satisfaction.
**Work Group**

The work group plays a significant role in providing satisfaction to individual employees. It does so, primarily by providing group members, with opportunities for interaction, with each other. It is well known that, for many employees work fills the need for social interaction. The employees derive higher satisfaction when the members in the work group have similar attitudes and values. Having people around with similar attitudes causes less friction on a day to day basis. Co-workers with similar attitudes and values can also provide some confirmation of a person's self concept. "We are ok and you are ok".

**Working Conditions**

Working conditions that are compatible with an employee's physical comfort and that facilitate doing a good job contribute to job satisfaction. Temperature, humidity ventilation, lighting and noise, hours of work, cleanliness of the work place, and adequate tools and equipment are the features which affect job satisfaction.

**Organizational Policies and Procedures**

Organizational policies include the basis for effecting promotions (seniority versus merit), transfer of people, foreign assignments, lay off and retrenchment appraisal and reward systems, motivational methods, skill based versus job based, pay and the like. The other important factors are education, age and other factors. Other factors here mean if the individual does not have favorable social family life, he may not feel happy of the work place.

**1.5.6 Measurement of Job Satisfaction**

There are a number of ways of measuring job satisfaction. The most common ways of measurement include rating scales, critical incidents, interviews and action tendencies.

**Rating Scales**

The most common approach for measuring job satisfaction is the use of rating scales. These scales fall into two general categories. One is called factor made scales, which are constructed for a particular setting or a project. The second set comprises standardized scales which, before their use, have been developed to establish group norms on the scales and to ensure reliability and validity of the measuring instruments. It is the tailor made scale which is frequently used in practice.
Job Descriptive Index (JDI)

This scale measures the dimensions identified by Smith, Kendall and Hulin in the five point scale. The Job Descriptive Index has separate scales for satisfaction with pay, promotion, supervision, work and co-workers. It has been widely used by behaviour researchers over the years and provides a broad picture of employees’ attitudes towards the major components of jobs.

Minnesota Satisfaction Questionnaire (MSQ)

Another popular rating scale is the Minnesota Satisfaction Questionnaire. It has 20 factors. There are five questions to study, each of these 20 factors. Thus in total there are 100 questions in the Minnesota Satisfaction Questionnaire. They are:

<table>
<thead>
<tr>
<th>1. Ability utilization</th>
<th>11. Moral values</th>
</tr>
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<tbody>
<tr>
<td>2. Achievement</td>
<td>12. Recognition</td>
</tr>
<tr>
<td>3. Activity</td>
<td>13. Responsibility</td>
</tr>
<tr>
<td>5. Authority</td>
<td>15. Social service</td>
</tr>
<tr>
<td>6. Company policies and practices</td>
<td>16. Social status</td>
</tr>
<tr>
<td>7. Compensation</td>
<td>17. Supervision human relations</td>
</tr>
<tr>
<td>9. Creativity</td>
<td>19. Variety</td>
</tr>
<tr>
<td>10. Independence</td>
<td>20. Working conditions</td>
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</tbody>
</table>

Critical Incidence

The critical incidence approach to the measurement of job satisfaction was developed by Herzberg and his associate in their research on the two-factor way-of motivation. Employees were asked to describe incidents on their job when they are particularly satisfied or dissatisfied. These incidents were then content analyzed in determining which aspects were closely related to positive and negative attitudes.

Interview

Personal interviews are yet another method of measurement of satisfaction. Employees are interviewed individually and the responses reveal their satisfaction or dissatisfaction.
**Action Tendencies**

These represent the inclinations people have to axis or approach certain things. By gathering information about how they feel like acting with respect to their jobs, the job satisfaction can be measured.

Job satisfaction is an important issue to be addressed to get better result in any organization. Different issues which are needed to be clarified for a research in job satisfaction are presented in brief in this chapter. Job satisfaction, job attitude and morale are the related terms clarified in detail. Job satisfaction affects productivity, employee turnover, absenteeism, safety, stress, unionization and other issues. There are different measures for job satisfaction. They are rating scales, job descriptive index, satisfaction questionnaire, critical incidence, interview and action tendencies presents the above issues and makes of theoretical background for further analysis.

**1.6 EMPLOYEE PERFORMANCE**

**1.6.1 Introduction**

Every organization has been established with certain objectives to achieve. These objectives can be achieved by utilizing the resources like men, machines, materials and money. All these resources are important but out of these the manpower is the most important. It plays an important role in performing tasks for accomplishing the goals. The question arises that how these resources are utilizes by manpower. Further, the business environment is changing drastically. The environmental factors are uncontrollable. These are beyond control of management of the firms. One has to adjust with the external factors to do the business in the market. Every environmental factor like social, cultural, legal, political, economic, technology and competition gets changed very fast. For effective working the knowledge of these factors is must otherwise the plan will misfire.

In present situation it is difficult to predict about anything. It is uncertain to say that what will happen tomorrow. Again the need for highly skilled and dedicated manpower is felt who can give the best output. Nowadays the markets are also very competitive and there is cut throat competition.

For every organization it is difficult to start, survive, stabilize and excel in the business. The firm that gets the advantage over other competitors through their talented and dedicated manpower can take the lead in the market. The contribution of employees on
job is the most important factor for development and excellence in business. The performance of employees on different jobs in close coordination is needed for success of the unit. Employees are performing different jobs in an organization depending upon the nature of the organization. They mainly perform tasks like production, storage, manufacturing, transportation, marketing, purchasing, distribution, promotion of business, finance and accounting, human resource, research and public relations. All these activities are interrelated to achieve the targets. These are to be performed by the employees properly so they can give their best output at the job. This will have great impact on the total production, sales, profit, progress and market position of the company in the market. Various factors like skills, training, motivation, dedication, welfare, management policies, fringe benefits, salary and packages, promotion, communication etc. are responsible to encourage the people to work sincerely and give their best output. The importance of employees’ performance must be understood by the management and sincere efforts must be put in that direction. The management of the company taking timely steps in that direction will be in position to develop and motivate the people to do so. Finally the company may take the lead the market and grab the opportunities available in the market.

1.6.2 Advantages of Higher Employees’ Performance

Following are advantages of higher performance to the individuals, organization, society and nation as a whole:

(a) The productivity of individual on job increases.
(b) Employee gets job satisfaction at job.
(c) Psychological problems of employees come to low level.
(d) Involvement of employees in their jobs increases.
(e) A sense of commitment and loyalty among employees develop.
(f) Employees get higher salaries and incentives on production basis.
(g) Quality and quantity of the total production increase.
(h) Sales and market shares of the company in the market improves.
(i) Profit improves and that leads to progress of the business.
(j) Good will of the organization goes high.
(k) All these contribute in the development of national economy and living standard of the society as a whole.
1.6.3 Performance Management

The main objective of human resources management is to utilize the human resources in a most optimal manner so that targets can be achieved very effectively and efficiently. For this purpose managing performance of employees as a whole is very important. Performance management takes care of this function. Performance management maintains, develop and motivate the people at work to give better results. In the present competitive situation the organization that gives better results can survive, stabilize, grow and excel in the performance. It helps a lot in achieving the objectives of HRM. Performance management includes activities to ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on performance of the organization, a department, processes to build a product or service, employees, etc. This concept has been defined by various authors as follows:

(a) **Performance management** is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities. Performance management is a whole work system that begins when a job is defined as needed. It ends when an employee leaves your organization. Many writers and consultants are using the term “performance management” as a substitution for the traditional appraisal system. A performance management system includes the following actions:

- Develop clear job descriptions.
- Select appropriate people with an appropriate selection process.
- Negotiate requirements and accomplishment based performance standards, outcomes, and measures.
- Provide effective orientation, education, and training.
- Provide ongoing coaching and feedback.
- Conduct quarterly performance development discussions.
- Design effective compensation and recognition systems that reward people for their contributions.
- Provide promotional/career development opportunities for staff.
- Assist with exit interviews to understand why valued employees leave the organization.
(b) Performance management is the larger process of defining what employees should be doing, ongoing communication during the year, linking of individual performance to organization needs, and the evaluating of appraising of performance.

(c) Performance management involves enabling people to perform their work to the best of their ability, meeting and perhaps exceeding targets and standards. For successful performance management, a culture of collective and individual responsibility for the continuing improvement of business processes needs to be established, and individual skills and contributions need to be encouraged and nurtured. Where organizations are concerned, performance management is usually known as company performance and is monitored through business appraisal.

(d) Performance management: A framework that identifies opportunities for performance improvement through use of performance measures such as standards and indicators.

(e) Performance measurement: A process of assessing the achievement of predetermined goals and objectives through the measurement of the following types of indicators: inputs, processes of delivery of activities and services outputs, and outcomes.

(f) Performance management: Using a set of tools and approaches to measure, improve, monitor and sustain the key indicators of a business.

(g) Performance management: The process of quantifying, measuring, correcting and reporting system service levels.

(h) Performance management: An empirically based approach to evaluating operational, clinical and financial segments of a provider. It is a program evaluation methodology to measuring results by benchmarking internal statistics against those of empirically based standards.

(i) Performance management system (PMS) is the heart of any “people management” process in organization. Organizations exist to perform. If people do not perform organizations don’t survive. If people perform at their peak level organization can compete and create waves.

(j) Armstrong and Baron (1998) defined it as “A strategic and integrated approach to increasing the effectiveness of organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors”
Performance management is 'The development of individuals with competence and commitment, working towards the achievement of shared meaningful objectives within an organization which supports and encourages their achievement' (Lockett).

'Performance management is managing the business' (Mohrman and Mohrman).

Performance management is the process of 'directing and supporting employees to work as effectively and efficiently as possible in line with the needs of the organization' (Walters).

Performance management is the process of creating a work environment or setting in which people are enabled to perform to the best of their abilities. Performance management is a whole work system that begins when a job is defined as needed. It ends when an employee leaves your organization.

The PM approach is used most often in the workplace but applies wherever people interact—schools, churches, community meetings, sports teams, health settings, governmental agencies, and even political settings. PM principles are needed wherever in the world people interact with their environments to produce desired effects. Cultures are different but the laws of behavior are the same worldwide.

1.6.4 Functions of Performance Management

The performance management is mainly concern with the performance of the people, systems and organization. To achieve this objective performance management performs a variety of functions. These functions are summarized below:

(a) Create Healthy Work Environment

HR or performance manager works with the people. Their objective is to create an environment of openness, trust, mutual understanding, team spirit and cooperation. In this environment only the manpower can be utilize more effectively to contribute to organizational goals. They create environment with the help of HR policies, day to day dealing, rules and regulations regarding leaves, welfare, promotion, discipline, incentives, training etc. It creates confidence in persons to work without worry.

Performance management is an important function of human resource management. HRM is mainly interested for proper utilization of manpower and contribute to a good extent in achieving the objectives of the organization. In nutshell, it can be said that
through better performance it is to make the organization more effective in the present competitive situation. The following are the main concerns of performance management:

(b) Concern with Productivity

It is first of all concerned with the output per person/system/machine/group. It is concerned with the results achieved, the performance of activities, competencies needed to perform these activities from every individual, group or team/department and organization as a whole. In present uncontrollable, risky and rapidly changing environment it is difficult for everyone to survive, stabilize, grow and excel in their performance. Those who are in position to give excellent performance they are leader in the market. They are only grabbing maximum opportunities. Performance management is mainly concerned for better result through processes, input and required competencies. It is possible through planning, developing, measuring and review of the performance of every one. Performance management plays an important role for effective working of HR management.

(c) Concern with Planning of Performance

Performance management is concerned with planning of the performance of people at work for better result in future. This means defining expectations expressed as objectives and in business plans. It plans the roles of everyone, standards of performance to be given in advance so that the actual performance can be compared with these standards. The performance of individual or group is aligned with the goals of the organization.

(e) Concern with Performance Measurement and Review

The next concerned of it is to measure the output of individuals and systems periodically. Further it is to compare with the standards already fixed. This shows the position of the performance whether the result is in the required direction or not. If the result is as per the planning then it is to be maintained otherwise it needs the remedial action for improvement. This position must be reviewed further for better result also. Though this concern many irregularities will be removed and there may be better and smooth performance of everyone concerned in achieving the objective of the organization.
(d) Interest in Continuous Improvement

Performance management philosophy is based on innovation in every area of the organization. Concern with continuous improvement is based on the belief that continually striving to reach higher and higher standards in every part of the organization will provide better performance and will be in position to give competitive advantage to the organization over its competitors. This means clarifying what organizational, team and individual effectiveness look like and taking steps to ensure that those defined levels of effectiveness are achieved. As Armstrong and Murlis said that helps in establishing a culture in which managers, individuals and groups take responsibility for the continuous improvement of business processes and of their own skills, competencies and contribution.

(e) Concern with Continuous Development

It follows the Japanese concept of Kaizen. Performance management is concerned with creating a culture in which organizational and individual learning and development is a continuous process. HR managers are putting their efforts for creating a healthy working environment for everyone. That is very helpful for learning and work. People learn from success and face the challenges in their routine functioning.

1.6.5 Benefits of Performance Management

Performance management is a very important part of human resource management. The focus of it is on development aspects of individual and organization performance. The approach of performance management is positive. In present highly competitive environment, a high degree of skill and commitment is needed to understand the environment and perform accordingly. Everybody is benefited by actions of performance management. It is bit difficult to summarize the benefits of it in detail. It is possible to get all employees to reconcile personal goals with organizational goals. One can increase productivity and profitability for any organization and that leads to progress of the organization. It can be applied by organizations or a single department or section inside an organization as well as an individual person. The process is a natural, self inspired performance process and appropriately named the self propelled performance process (SPPP). It is claimed that the self-propelled performance management system is:
(a) The fastest known method for career promotion;
(b) The quickest way for career advancement;
(c) The surest way for career progress
(d) The best ingredient in career path planning;
(e) The only true and lasting virtue for career success;
(f) The most neglected part in teachings about management and leadership principles;
(g) The most complete and sophisticated application of performance management;
(h) The best integration of human behaviour research findings, with the latest management, leadership and organizational development principles;
(i) The best automated method for organizational change, development, growth, performance and profit;
(j) The quickest way for career building, career development and moving up on the stepping stones of the corporate career ladder;
(k) The surest and fastest way for increased motivation, productivity, growth, performance and profitability for both the individual and the organization;
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