CHAPTER - III

HUMAN RESOURCE MANAGEMENT & HUMAN RELATION
CHAPTER-III
HUMAN RESOURCE MANAGEMENT & HUMAN RELATION

1 INTRODUCTION

Every organization operates by combining resources both material and non-material. While the plant, equipment and financial assets (generally described as material resources), are considered as vital resources for all industrial organization, the one that is most important is the non-material resource, namely, the human resources or the employee resources.

This is basically for two reasons, one, human resources influence the efficiency and effectiveness of organization, and second human resources are also a major expense or cost of doing business. Human resources admittedly have profound effect on productivity. Beyond their vital contributions to an organization's efficiency and productivity, human resources play a major role in shaping and achieving any organization objectives. It is because of these considerations, effective management of human resources is the central concern of all organizations especially those where profit and productivity are given premium.

Recently a number of developments have combined to make the effective management of human resource even more important. These developments include the drastic changes occurring in the nature of work performed, changes in workers available to perform to work-their expectations, values, age, and skills as well as the changing nature of organizations. Today's workers have higher expectations about the work they are willing to perform, a desire for involvement in managing their jobs and a wish to share in the financial gains achieved by the organization. As a result, employers can no longer afford to view workers as interchangeable economic units. Not only workers are changing but organizations are also changing. Government regulations of employment relationship, economic and social considerations of business/industry and host of other factors have forced this change. The changing nature of work, workers and organizations are trends that require re-thinking or traditional approaches to human resource management.

Milkovich and Boudreau regard human resource management as a diagnostic process entailing:

(a) Assessment of human resource conditions;
(b) Setting up of human resource objectives;
(c) Choice and application of human resource activities;
(d) Evaluation of results.

The assessment of human resource conditions involves external conditions, organizational conditions and employee conditions. External conditions include: (a) the annual gain of societal, cultural, political and economic factors relevant to organization and its employees. In more specific terms these include economic conditions, government regulations (referred to as human resource laws) of central, state and local governments, including the court interpretations and directions regarding these laws, and finally the union's expectations.
Organizational conditions include the nature of the organizational and the nature of work included under the nature of organization is strategies, objectives, financial situation, and technology and work culture aspects. The consideration of nature of work included skills required, training necessary, availability of compensations and reward systems and the manner in which the jobs are designed. Employee condition refers to abilities, motivations and attitudes of the workers.

1.1 SETTING UP OF HUMAN RESOURCE OBJECTIVES

The setting up of human resource objectives requires the consideration of efficiency and equity-both of the organization and its employees. Efficiency refers to the comparison between inputs and outputs. Equity refers to the perceived fairness of both the procedures used to make human resource decisions-the rules and procedures used to decide pay increase, hiring, lay off or promotions efficiency and equity in most instances are interrelated because fair and equitable employment policies increase employees’ willingness to greater efforts at increasing the productivity.

1.2 CHOICE AND APPLICATION OF HUMAN RESOURCE MANAGEMENT ACTIVITIES:

The choice and application of human resource management activities refers to programmes designed in response to human resource objectives and the ways of achieving those objectives. The activities that are subsumed under this head are: planning, staffing, development, employer/union relations and compensation.

THE CONCEPT OF HUMAN RESOURCES MANAGEMENT DEFINITION:

Milкович, George T. & Bondreau John W. have defined the human Resource Management as,

“Human Resource Management is a series of decisions that affect the relationship between employees and employers; it affects many constituencies and is intended to influence the effectiveness of employees and employers.”

The concept of Human Resource Management (HRM) is of comparatively recent origin. HRM is a process, which consist of a series of activities conducted to design behavioral changes in a specified period. Lippit (1978) points out that HRM as a system depends of

1. work itself which generates a higher degree of responsibility for the employees;
2. the individuals personal and professional growth;
3. the improved quality output as a result of increased responsibility;
4. organization as an open system.
Focus on all aspect is what HRM is all about. Rao (1985) defines HRM as “a process in which the employees of an organization are continuously helped in a planned way (a) acquire or sharpen capabilities required to perform various tasks and functions associated with their present and future expected roles; (b) develop their general enabling capabilities as individuals as that they are able to discover and exploit their own inner potential for their own and /or organizational development purpose; and (c) develop an organizational culture where superior-subordinate relationship, team work, and collaboration among different sub-units are strong and contribute to the organizational health, dynamism and pride of employees”.

HRM as a function consists of various activities related to training and development and performance appraisal. In fact, the appraisal helps in identifying potential through appraisal feedback and interviews and training, therefore, play a significant role in achieving the individual’s growth and development. In this respect HRM is more a proactive supportive function because the organization has to take a lead in helping the people to grow and realize their potential.

1.3 HUMAN RESOURCE MANAGEMENT IN INDIA

Human resource management as a distinct and important function in industrial/business organization is a late comer on the Indian scene, and still has a comparatively low profile. In a way it can be argued that even in industrially advanced countries the importance of human resource management was not appreciated at the earlier stages. It was only after the formation of strong trade unions, the growth of collective bargaining, a wider social consciousness about welfare and protective legislation in many areas of working conditions a climate was created for the growth of the concept of Human Resource Management.

Speaking in a larger context, the two important development, have contributed enormously to growth of human resource management concept and practice., these developments refer to (i) the enormous growth of social sciences and availability of research based data on the motivation and behavior of research based data on the motivation and behavior of men at work in the industrial setting and realization that of all the resource used in industry the most important is the human factor; and (ii) conflict with organized labour, so endemic in the Indian situation, compelled to the captains of the Indian industry to realize that the human factor (the most appreciating asset) could depreciate very fast, much than money, material and machinery, if not properly handled.

The beginning this compelling realization could be seen in the emergence of personnel management and the increasing importance being attached to the role of the personnel manager. The personnel man first appeared as a low powered functionary who was no better than a file clerk of record keeper. Out of this arose kind of role as liaison man, essentially Communication person and an odd job man. Then came the next stage of a Welfare man administering the welfare schemes provided for in the statutes. As the workers organized themselves into strong unions and industrial conflicts multiplied, the employers hired the personnel man as a king of troubleshooter or fire fighter.
However, it was soon realized that this was not the true role of the personnel man because the function of the personnel manager is more of the nature of staff function rather than line function. In other words, he was an expert rather than a controller or manager of men. From this role in quite a few organizations where the problems were acute and the management was harassed, an effective personnel manager became the alter ego of the top management, quite frequently reporting to top management and the line management.

Currently, the idea that has captured the mind of Indian industrialists, is the need of a change agent in the N.N. Chatterjee Personnel Management in India; Retrospect and prospect theme paper of the XXIII All India annual Conference of the Indian Institute of Personnel Management. Organizational development. Accordingly the management of the management seems to be the main task of the personnel man.*

In India it was only in the thirties that the need was felt by certain employers of appointing labour welfare officers to look after labour matters, The Royal Commission on Labour (1931) recommended the employment of labour welfare officers in the factories.**

The factories Act and the Mines Act were amended in the light of recommendations of the Royal Commission to provide for the appointment of labour welfare officers, There is plenty of material on the role expansion of welfare officers, and many authentic documents are available on the subjects, Next came the stage of appointing Personnel Managers with wider functions and duties, such as recruitment, selection induction, placement and promotion; wage and salary administration; industrial relations; welfare, training and education, including management development and career planning; communication; performance appraisal; public relations; personnel research; and organizations; development personnel management is now a specialized function.

With the increasing trend in respect of the appointment of personnel officers in the Indian industry, the era of the importance of human relations in business/industry came to stay in India. There are quite a few enthusiastic champions of human relations in India, particularly among behavioral scientist and younger generation of personnel managers, the origin of human relation movement has been due to certain social, cultural, economic technological and political factors operating in India. While there are formidable difficulties in applying the human relations philosophy in the Indian Industrial situation, there are however, some very promising developments viz. tremendous social and economic changes underscoring the growth of democratic ethos in Indian industry. The unionized industrial culture with the new worker gradually making himself felt and the professional manager becoming more effective, the family concerns gradually undergoing re-orientation and most important of all, public sector enterprises willing to make experiments with new value systems, human relations has emerged as the most important field in the area of personnel management.
Modern management in India has become increasingly concerned with the understanding and management of the most important of all factors of production—the human factor. As Douglas McGregor puts it, “The effectiveness of organizations could be increased a great deal if they could somehow know the art of tapping the unrealized potential present in their human resources.”

The most talked about approach in man management in India has been in recent times the human resource management approach. A brief description of human relations in management is called for better appreciation of India’s emerging scenario.

Like elsewhere, human relations in India’s management scenario mean a body of systematic knowledge devoted to explaining the behavior of individuals in the working organization. The core of human relations philosophy is that workers respond;

(a) to clearly demonstrated interest by management in the work that they are doing and their own opinions thereof; and
(b) to the informal social structure prevailing at the workplace. The human relations school in India in essence refers to an approach to the theory of management and of organizations that emphasize the individual worker’s need for satisfactory relationship with other members of his work group


The National productivity Council of India described human relations as follows:

“Key factors of work environment such as jobs, employees, groups and organizations, influence the pattern of human relations which link people together. People working together need to interact, communicate and build mutual relationships. The process of interaction involves developments, and exchange of feelings, attitudes and adjustments, which is a natural activity of living, thinking and feeling human beings. The leader of the group, whether appointed or elected, attempts to steer the process towards better coordination, performance and job satisfaction. Since human relations interlace all activities of employees, it is necessary that the leader initiates action to shape and direct the patterns of relationships.”
1.4 HUMAN RESOURCES PLANNING

Human Resources planning is the first and very important function of Human Resource Management. Human Resource Development is "the process by which a management determines how an organisation should move from its current manpower position to its desired manpower position. Through planning, a management strives to have the right number and the right kind of people at the right places, at the right time, to do things which result in both the organisation and the individual receiving the maximum long-range benefit".

The process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plant of the organisation'. (Vic 1967; V).

It has been defined by Coleman (1970) as "The process of determining manpower requirements and the means for meeting those requirements in order to carry out the integrated plan of the organisation".

Stainer defines it as "Strategy for the acquisition, utilization, improvement, and preservation of an enterprise's human resources. It relates to establishing job specifications or the quantitative requirements of jobs determining the number of personnel required and developing sources of manpower".

W.S. Wikstron further explained that human resource planning consists of a series of activities viz.

1. Forecasting future manpower requirements, either in terms of mathematical projections of trends in the economic environment and development in industry, or in terms of judgmental estimates based upon the specific future plans of a company.
2. Making an inventory of present manpower resources and assessing the extent to which these resources are employed optimally.
3. Anticipating manpower problems by projecting present resources into the future and comparing them with the forecast of requirements to determine their adequacy, both quantitatively and qualitatively and
4. Planning the necessary programmes of requirement, selection, training, development, utilization, transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met.

The human resources planning enable the management to predict the manpower requirements and control the number of manpower deployed, and due to a more precise matching of manpower needs to the future's business plans, control the wage and salary costs.
1.5 OBJECTIVES OF HUMAN RESOURCES PLANNING

The chief objectives of human resources planning are as follows:

1: to have an accurate estimate of the number of employees required, with matching skill requirements to accomplish organizational goals.
2: to fill the gap caused due to labour turnover, absenteeism, retirement and death of the employees.
3: to meet the needs expansion programmes.
4: to identify areas of surplus or shortage of employees.
5: by way of maintaining an inventory of existing personnel in an enterprise by a skill, level, training educational, qualifications, work experience and salary. The existing manpower may be used more productively.

A number of more specific reasons for attaching importance to manpower planning and forecasting exercises are:

a: to determine recruitment level
b: to anticipate redundancies and avoid unnecessary dismissals.
c: to determine optimum training levels
d: to provide a basis for management development programmes
e: to cost the manpower in new projects
f: to assist productivity bargaining and
g: to assess future accommodation requirements

Manpower planning is a concept which is applicable at different levels. According to Narayaarao.*

1. **At the national level**: It is generally done by the government and covers items like population projections, programme of economic development, educational facilitates, occupational distribution, and growth, industrial and geographical mobility of personnel.

2. **At the sector level**: it may be done by the government central or state and may cover manpower needs of agricultural, industrial and service sector.

3. **At the industry level**: it may cover manpower forecast for specific industries, such as engineering, heavy industries, consumer goods industries public utility industries, etc.

4. **At the level of the individual unit**: it may relate to its manpower to needs for various departments and for various types of personnel.

At the unit or enterprise level it is effected by two factors, internal environment and external environment. Internal environment includes (1) the support and desire of the top management, (2) ability of th manpower planner.

External environment includes:-

65
1. Government influence through various laws and provisions, various quotas etc.
2. Social factors: pressure of the trade unions or political parties for their vested interest.
3. Prevailing economic factors- it is very difficult to predict the correct demand of a particular product as it itself depends on a number of factors like government policy, taxation & import etc.

Technological Factor
Change in the method of production and distribution of products and services and in management techniques will require the change in the skills and quality of the employees.

1.6 Human Resource Planning – Process
It is one of the most crucial complex and continuing managerial function, which may be regarded as a multi-step process as given in the enclosed chart. (s.1 of C.B. Memorial). It included the following process: -
1. To decide the goals or objective.
2. To estimate future organizational structure and manpower requirement.
3. To audit human resources.
4. To plan job requirement and job description.
5. To develop a human resource plan.

The first step is to decide the goal or objective of the human resource planning. It may be either of long term or short term but according to sikula, ultimate mission or purpose is to relate future human resources to future enterprise needs so as to maximum the future return on investment in human resources”.

The second step is to determine the number and type of employees needed have to be determined, which is determined by many environmental factors like, business forecast, expansion and growth , design and structural changes, management philosophy, government policy, product and human skills and competition etc. The forecast of future manpower requirement include two steps the quantity of personnel needed and the quality of personal needed.

The quality of the personnel means the minimum acceptable qualities necessary for adequate performance of the job duties. Establishing such qualities entails (1) The design of the job and (2) a study of the job duties and responsibilities to determine human abilities required for execution.

The first step is to find out the sales forecast and work scheduling and on the basis of past experience there are translated into total work load (manpower requirement), which when divided by the averages hours of work by a worker, we get the number of employees but here due consideration is given to the absenteeism and labour turnover.
1.7 ABSENTEEISM

"Absenteeism" is the title given to a condition that exists when a person fails to come to work then properly scheduled to work. The most common measure of absenteeism is the percentage of scheduled time lost and it computed as follows:

Number of person’s days lost through job absence during period \( \times 100 \)
(average number of employees) \( \times \) (number of work days)

1.8 TURNOVER

Labour turnover refers to the movement in the and out of an organisation by the work force. This movement is an index of the stability of the work force. The causes of turnover include retirement, death, separation, resignation etc.

The third step is to determine the present supply of manpower resource, which is done through maintaining the skills, abilities, work performance/preference and other items of information indicating his overall value to the company. It tells us “What exists in stock” and “What is needed to be added to the stock” to meet the future requirement taking into account the capabilities, qualification, experience, skill, knowledge and promotional potentiality of employees.

The fourth step is to prepare a job analysis for the to be needed in future. Job analyses contain the information about training, skills, qualification, abilities and experience and responsibilities etc. Job analyses include job description and job specification.

The last step in this process is to develop and implementation of the HUMAN RESOURCE PLANNING, which consists in finding out of sources of labour supply with a view to making and effective use of their sources. At this stage we should firstly decide whether the personnel be hired from within through promotional channel or should it be obtained from an outside source. Various external factors influence the outflow and inflow of manpower resources.

At the local level, such factors are:
(1) Population density at various distances from the factory or work place;
(2) Local unemployment level, particularly of the categories which are relevant for the operation of the organisation,
(3) availability of part time labour,
(4) current competition for similar categories of manpower from other organizations,
(5) output from the educational system (general as well as technical),
(6) pattern of immigration and out migration within the area and between it and other areas, and transport facilities and communication pattern.
2. **THE HUMAN FACTOR IN EMPLOYMENT & CONCEPTS OF INDUSTRIAL RELATIONS & HUMAN RELATIONS**

2.1 **The Human Factor in Employment**

The importance of human factor in any enterprise cannot be exaggerated. News media give prominence to various incidents in labour-management relations, Politicians, governmental agencies, educators and various community groups express their interest in the aims and problems of employees and ever widening research in behavioral science is casting new light on interpersonal relations in the working environment.

As personnel management seeks to help build an effective and satisfied working team, all executives, in their personnel responsibilities; must give due consideration to the technical skills of the people. This is the factor of production aspect of the people in an organization. But since people also bring to the work-place various personal feelings, desires, perceptions, motives, values and drives, an employee must be dealt with as a human being. In dealing with people in an organization it is essentially to encompass all dimensions of the human factor. Human beings manifest themselves through group interactions as well as individual actions. Human aspects are subjective and changeable, qualitative and dynamic, varying with cultural and personal backgrounds, economic events and with the passage of time. A close observation of employees, thus, serves to reveal that they are complex creatures. On the surface and in the exterior phases of their work, they are obviously physiological creatures and, therefore, require various inputs of food, rest and environmental conditions and thus they have physiological needs. Sustaining the physiological dimensions also requires that protection be provided against hazards, which might lead to physical disabilities or might cause physical pain or loss of income resulting from an inability to continue work. Thus, employees need physiological security. Again, an employee has a feeling dimension—likes and dislikes of a very personal nature. In short, he is an emotional creature. Thus, people possess a psychological dimension, have psychological needs and they act psychologically. Further, employees also have a social dimension they like to interact with people. They want status, prestige, compliments and other things, which, in part, can only come if they interact appropriately in various group situations. Thus, they both act socially and have social needs. Besides employees have a ethical dimension— they have ideas of what is right and wrong and, therefore, they have ethical needs. Thus, the employees must be viewed as physiological, sociological, psychological and ethical creatures. They are basic parts of the human factor.

The defense mechanisms of people are also dynamic in character. In various ways, most individuals prepare and carry out plans either to enhance or defend their physiological and other needs. Threats or imagined threats to these bring forth individual and group reactions of varying degrees and kinds. Management has to be alert to react correctly to defensive and defense-causing behavior.
It is also important to remember that the employees are to be viewed not as static individuals; on the contrary, they are in a continuous process of change and maturity. In maturity they are characterized by increasing self-determination in place of a passive activity; increasing varieties of behavior in place of limited ways of behavior; increasing movement to equality with other in place of subordinate positions and increasing awareness of others in place of self concern or just self awareness.

It is thus obvious that labor's physical and mental attributes are pertinent to organizational productivity and it is also true that emotional and group aspects, ethical and cultural qualities, perceptions and aspirations and various needs and drives of people impinge upon the affairs of an enterprise. The human factor in employment is, therefore, multi-dimensional.

2.2 HUMAN RELATIONS AND INDUSTRIAL RELATIONS

Industrial relations refer to the relations between the employer and the workers in a plant (undertaking) at any specified time. Human relations in industry refer to a policy to be adopted in the undertaking to develop a sense of belongingness in the workers improve their efficiency and treat them as human beings and partners in industry and not merely as a factor of production. Thus, the term industrial relations is a comprehensive one and it covers both industrial relations proper and matters regulated by law or by specific collective agreements arrived at between the trade unions and the employers. Each country has its own pattern of industrial relations, a pattern determined by its own national traditions and economic and social characteristics. Problems of Human Relations are personal in character and are related to the behavior of worker where moral and social elements predominate.

Problems of industrial relations are usually dealt with at three levels, the level of the undertaking, the industry level and at the national level. Matters related to human relations are best discussed at the level of the undertaking although some matters may demand discussions at higher levels also.

2.3 Definition and Implicaciones of Human Relations

According to Yoder and other human relations approach is a device for three way communication and employees participation in decision making process. Under this approach greater attention is paid to human aspect of the employee than that paid to technical and economic aspects. In short, human relations approach considers employment and work conditions or situation from the standpoint of individual's objectives. It emphasizes upon policies and techniques towards improving employee morale and job satisfaction. According to R. Saltonstall, Human Relations is a study of people in action. The main function of the manager is to coordinate the work amongst workers. Effective leadership needs knowledge of human relation. In the words of Keith Davis, "Human Relations is motivating people in organization to develop team work which effectively fulfils their objectives and achieves organizational objectives. According to John. F. Mee, "Human relations are a medium through which both employees and the company mutually cooperate to achieve more
production through high morale which after all is the economic purpose of all business and industries.

An analysis of the definitions of human relations given above lay greater emphasis upon the human factor than the economic and technical aspects of the enterprise. The human beings are part of the organization. The main object of the human relations approach is to motivate people for work through employee's cooperation and team work and assuring economic, social and psychological satisfaction to the employees. The fulfillment of organizational objectives is possible only when employee's needs are satisfied, Thus effective human relations aim at the achievement of double objective as illustrated below:

2.4 Principles of Human Relations

The most basic guide to personnel action in any organization or enterprise derives from its philosophy towards people. Broadly speaking, a personnel philosophy may tend towards either of two directions. First, employee may be viewed as a technical factor, which more or less passively or actively resists managerial leadership.

1. People must be molded, controlled and closely supervised by management to achieve the goals of the enterprise. Secondly, of late, the employee has been viewed as a human factor with inherently constructive potentials. There is much evidence to support the thesis that constructive forces in people are better realized when a participative attitude underlies management's programmes. There is a growing acceptance of the idea that helping people to grow is as important as growth of the enterprise. That helping people to grow is as important as growth of the enterprise, Specific principles or guidelines for effective human relations may be derived from this philosophy which, of course, are not immutable or inflexible lays but should be amended as conditions change and as more is learnt about the behavioral patterns of the human factor individually and in groups. These principles according to Michael J. Jucius (Personnel Management, 1978) may be put as below.

2. People should be dealt with as complete individuals. Employees may be hired for their technical capabilities and economic usefulness but their cooperation and interactions with management are largely influenced by their personal feelings, cultural and social attitudes and ethical norms.

3. Managerial action should be sensitive to how people feed about work assignments personnel policies and decisions which affect employee interests and such sensitive to how people feed about work assignments personnel policies and decisions which affect employee interests and such sensitivity should be in line with group as well as individual relations.

4. Employees should be made to feel worthwhile and related. Personal feeling of accomplishment, pride in one's craft or profession and a harmonious kinship with fellow workers as well as with the enterprise are day to day needs if technical productivity is to be of the highest order.
2.5 Methods and Approaches to Human Relations

Human relations depend on a number of factors, which are still imperfectly understood though their importance is being increasingly realized. Many approaches for establishing human relations are being tried in different countries. Methods or approaches to human relations in industry tend to depend on factors and attitudes which evolve in day-to-day negotiations and relationships and which reflect codes of behavior based on changing industrial and social conditions. They tend to depend also on the developing rights and responsibilities of occupational organization and on the state of industrial relations proper. Possibilities of improving human relations in industry are greater where there are strong progressive organizations of employers and workers and where there is a foundation of good industrial relations.

Some of the important factors that go to make up a human relations policy as laid down in a Resolution adopted at the 4th Session of Metal Trades Committee of the I.L.O. are (i) A sound organizational structure of the firm with clear specifications of functions, duties and responsibilities for every one engaged in the undertaking, (ii) adequate conditions of employment—fair wages, good working conditions and the like. (iii) suitable policies for the methodical selection, placement and orientation of the workers in the undertaking, (iv) training and education for all (v) real and equal opportunity of advancement for all employees, with promotion from within, whenever possible, and suitable policies regarding job termination, (vi) attention to the role of supervising personnel, to their function as representatives of top management, who are expected to explain the purposes of management to the workers and to interpret the questions and needs of workers to management, (vii) genuine two-way communication between management and workers, between individual employees, and between groups of employees at all levels of the undertaking, (viii) generally to seek every means of promoting positive cooperation in the undertaking and to seek concrete and lasting achievements of equal value for the workers and management, and (ix) above all, there should be sincerity in the approach, otherwise no measure to promote human relations can be successful.

The object of human relations policy is to make the workers feel involved in the industry or the undertaking in which they work and improve their efficiency and thus maintain good industrial relation. In maintain sound human relations the following basic considerations should be kept in view:

(v) Recognition of the dignity of the individual and of his right to personal freedom and equality of opportunity. One should have right to select one's own occupation, freedom of speech and the right to practice one's own faith;

(vi) Mutual respect, confidence, understanding, goodwill and acceptance of responsibility on the part of both employer/management and worker, and their representatives in the exercise of their rights and duties in the operation of the plants;

(vii) Similarly, the same qualities are essential in the relationship within and between organizations of employers and employees;
(viii) Employer should see the contributions made by trade unions towards human relations. Recognition must be granted provided the relations between employers and employees and between their respective organizations are based on their interests in the enterprise or industry and are not governed by political consideration;

For advancement and efficient enterprise, security of employment, a high standard of living and social progress are to be achieved. This means that the worker and his organization should recognize the importance of technological improvements, new methods and efficient equipment and the employer should recognize his obligation to share with the worker all resulting economic benefits.

2.6 Human Resource Management

1. INDUSTRIAL RELATIONS DURING 2001-2002

The industrial Relations at various manufacturing Units and Service Divisions of the Company were harmonious and cordial throughout the year. The thrust on participative culture continued during the year. A unique meeting of the apex level bipartite forum (Joint Committee) was held in a Workshop format for two days in August 2001. The leaders of the Central Trade Unions and the Union representatives from various plants of BHEL participated very enthusiastically in this Workshop. Various issues of Concern to the Company were discussed and fruitful suggestions/presentations were made.

Similar Workshop for the representatives of supervisors and Executives was also held for two days in October 2001. The theme of the Workshop was enhancing organizational effectiveness.

There were two meetings of the Joint Committee during the year. Similarly 65 meetings of the Plant Councils and 308 meetings of the Shop Councils were held during the year in various Units of the Company.

2. VOLUNTARY RETIREMENT SCHEME

A focused voluntary retirement scheme was in operation in the Company during the year. In all, 3340 employees( 483 Executives, 608 Supervisors and 2249 Workmen) opted for retirement under this Scheme.

3. HUMAN RESOURCE DEVELOPMENT

The overall manpower strength at the end of the year was 47516 showing a decrease of 8.28% over the previous year. This decline in manpower is mainly due to introduction of voluntary Retirement Scheme for the third consecutive year and also restricting fresh induction to only critical areas.

BHEL nominates its employees for training programs conducted in house by HRDI & HRDC's and by other external agencies. During the year 2001-2002, a total of 40172 participants nominated by BHEL attended various training programs, besides, 3333 Trade Apprentices were provided training facilities under the Apprentices Act.
3. ACTIVITIES OF THE COMPANY FOR WELFARE AND ADVANCEMENT OF SCs & STs

The company has been scrupulously following the Presidential Directives and guidelines issued by the Government of India regarding reservations for Scheduled Castes and Scheduled Tribes (SCs & STs).

Socio - Economic Development Activities For Sc/St Community

BHEL has adopted 56 SC/ST dominated villages near its manufacturing Units for the welfare and socioeconomic development of SCs & STs.

Following activities have been undertaken in these villages:
- Construction and maintenance of school buildings
- Providing scholarships to meritorious SC/ST students
- Providing adult/primary education
- Providing teaching aids to schools
- Providing uniforms to school children
- Construction of Community Halls
- Organizing medical campus/providing medical aid and medicines
- Providing water distribution lines
- Construction of approach roads.

Sanitation, hygiene and easy drainage system