CHAPTER IV

LABOUR WELFARE AND HUMAN RESOURCE MANAGEMENT

The operational problems of any industry have their roots in HR issues. Problems may arise in the fields of production, marketing distribution, purchase and plan layouts. The urge to resolve issues, every individual does his best in resolving problems he encounters. Operational problems are directly linked to problem solving competencies of human beings. However, to ensure utilization of human force to the fullest extent, human resources should be maintained and continuously developed.

4.1. LABOUR WELFARE

Labour welfare is provided as a part of maintenance function of Human Resources Management. Before analyzing the operational problems of Hotel industry and HR initiative to resolve them, it is appropriate to understand ‘Labour Welfare’ as a concept and as a philosophy. Similarly the theories of Labour welfare and numerous statutory and non statutory welfare measures provided in the Indian backdrop needs to be understood.
The evolution of labour welfare in hotel Industry is directly related to labour welfare trends in the Hospitality Industry, these issues and the role of HRM in hotel industry are theoretically brought out in this chapter.

4.2. WELFARE AS A TOTAL CONCEPT

Welfare is a total concept i.e., it is a desirable state of existence comprehending physical, mental, moral and emotional well being. Unless a person is physically well off, has sound health he cannot be described to be faring well. Sound physical health is an important basis of welfare. Very often emotional, mental and moral well being depends on the physical health of the individual.

Mental health is another constituent element of welfare. One may be physically healthy and strong, but if one is not intelligent he will not able to understand even the basic elements of science, art and letters and is feeble minded and idiotic it is certain that one is not living in the state of welfare. It is safe for the practical purposes to profound that physical health and mental health are equally indispensable for securing welfare.

It is possible for one to be physically and mentally sound and yet be loose in morals. Morality essentially consists in loyalty to the group and ability to resist and overcome temptations disapproved by the group or society and also temptations which run counter to self – accepted principles of life. We should say that a person who is morally unsound and unviable foregoes
his state of welfare and becomes a problem to himself and to others, moral health is assuredly necessary to add the content of welfare.

Again emotional health of a person is the fourth factor which contributes to his welfare. There are many persons who are physically, mentally and morally reasonably sound but easily get upset. Small incidents in life disturb them. Some are there who always tense and cannot be happy unless they have some sensation or other. Emotional imbalance, ideally speaking is not desirable. Physical, mental moral and emotional health are the four pillars of better still, fourfold foundation and on which the structure of welfare is built, it is this sense that welfare is described as a total concept.

4.3. WELFARE AS A SOCIAL CONCEPT

There is yet another sense to the statements that welfare is a total concept. In planning for welfare the individual alone should not be taken in to consideration. A man is a member of his family. He derives his mental nourishment; his moral sentiments and emotional content from his family, his talk, outlook, interests, ambitions longings, habits behavior, hopes, fears are conditioned by and centered in his family. It is in controvertible that the welfare of the children depends on the welfare of the family. Similarly an adult’s welfare depends on his family’s welfare.

Further a family is not an isolated unit. It is related to other families and to the neighborhood. The community is the legitimate, natural and intimate selling in which the family lives and has its being.

4.4. RELATIVE CONCEPT
Welfare is also a relative concept, relative in time and place. It is a dynamic and flexible concept and hence its meaning and content differ from time to time, region to region, industry to industry and country to country, welfare is relative in space too. The condition of existence of the workers in India may be much better than those of the tribal groups in Malaya or Africa. This variation in the welfare content is mainly due to the scientific advance and equipment of the countries concerned and is also due to the community conscience, which collects and coordinates its resources for the well being of its members, of their families and of the community as a whole.

4.5. CONCEPT OF LABOUR WELFARE

Labour welfare implies the setting up of the minimum desirable standards and the provision of facilities like health, food, and clothing, housing medical assistance, education, insurance, job security and recreation. Such facilities enable the worker and his family to lead a good work life, family life, and also social life. Labour welfare also operates to neutralize the harmful effects of large scale industrialization and urbanization.

The concepts of labour welfare originated in the desire for humanitarian approach to the sufferings of the working class; later it becomes utilitarian philosophy which worked as a motivating force for labour and for those who were interested in it.

However labour welfare has both positive and negative sides associated with it. On the positive side it deals with the provision of opportunities which enable the worker and his family to lead a good life, socially and personally as
well as help him adjust to social transition in his work life, family life and social life. On the negative side it functions in order to neutralize the baneful effects of large scale industrialization and provides a counter balance to the undesirable social consequences and labour problems.

According to the Oxford Dictionary welfare is “Well - being happiness: health and prosperity of a person or community”\(^{43}\). According to Websters Dictionary Welfare means: “ones condition in regard to Wealth, happiness or prosperity”\(^{44}\). Charbers Dictionary defines, “welfare as a state of fairing or doing well freedom from calamity, enjoyment of health prosperity”\(^{45}\). In the report II of the ILO Asian Regional Conference, it has been stated that workers welfare may be understood to mean: “Such services facilities and amenities, which may be established outside or in the vicinity of undertakings, to enable the person employed there to perform their work in healthy congenial surroundings and to provide them with amenities considerate to good health and high morale”\(^{46}\).

The labour investigation committee (1944 - 46) includes under welfare activities “Anything done for intellectual, physical, moral and economic betterment of the workers, whether by employees, by government or by other agencies, over and above what is laid down by law or what is normally

\(^{43}\) Oxford Dictionary, Oxford University Press, 2002, New Delhi, p.1392

\(^{44}\) Webster’s Dictionary, Delair Publishing Company, New York, p 2594

\(^{45}\) Charbers Dictionary

expected as a part of the contractual for which the workers may have bargained”\textsuperscript{47}.

The report of the committee on Labour Welfare (1969) includes under it “Such services, facilities, and amenities arrangements for travel to and from work and for the accommodation of workers employed at a distance from their homes, and such other services, amenities and facilities including social security measures that contribute to improve the conditions under which workers are employed”\textsuperscript{48}.

In view of the above mentioned definitions we may sum up that labour welfare includes housing, medical and educational facilities, nutrition which includes provisions for canteens, facilities for rest and recreation, cooperative societies, day nurseries and crèches, provision for sanitary, accommodation, holidays with pay, social insurance measures, undertaken voluntarily by employees above or jointly with workers, including sickness and maternity benefit schemes, provident funds, gratuities and pension\textsuperscript{49}.

4.6. BASIC CHARACTERISTICS OF LABOUR WELFARE

(i) Labour Welfare activities are generally undertaken in or in the vicinity of the undertakings for the benefit of employees and the members of their families.

\textsuperscript{47}Report on Investigation Committee (1944 - 46) p.33.

\textsuperscript{48}Report of Committee on Labour welfare, 1969.

(ii) Such activities generally include those items of welfare which are over and above what have been provided in the legislation or required by the custom of the industry or what have been provided in the legislation or which the employees expect as a result of a contract of service from the employers.

(iii) The main purpose of providing such facilities is to bring about the development of whole personality of the worker - Social, psychological, economic, moral, cultural and intellectual development to make him a good worker, a good citizen and a good member of the family.

(iv) Welfare facilities may be provided voluntarily by the progressive or enlightened employers at their own accord or the legislation compel them to provide for such facilities or these may be taken up by the government or other agencies like trade unions, municipalities provided they have sufficient funds.

(v) Welfare facilities may be intramural or extramural, statutory or non statutory activities undertaken by any of the three agencies i.e, employer, Trade unions, and the government for the welfare of the employees.

4.7. OBJECTIVES OF LABOUR WELFARE

Initially, humanitarian and social awareness motivated labour welfare activities. Driven by the desire for greater efficiency and output from workers and with a view to attracting better workers, employers offer extra incentives in the form of Labour Welfare Schemes. Sometimes employers to combat the influence of outside agencies on their employees use Labour Welfare. Labour Welfare measures are often undertaken with a view to avoiding payment of tax on surplus and simultaneously building up better relations with employees.
The desire to show off and advertise their concern for labour are also factors which play their part in persuading employers to go in for labour welfare schemes.

The bigger the organization, the larger is the labour welfare schemes which are therefore often complex, for human nature varies from person to person. Certain motivating characteristics, however, dominate in each successive period of development of Labour welfare movement and this is clearly seen in the broad historical perspective of Industrial welfare. It often happens that if an organization gets interested in Labour Welfare and initiates measures for this purpose, other organizations in same industrial area may follow suit, and so assist in the spread of labour welfare movement in and around that particular industrial area.\(^{50}\)

### 4.8. PRINCIPLE OF WELFARE WORK

The sources of welfare work will depend on the extent to which certain basic principles are observed. What are these principles?

The principle of co-ordination or integration is an important one. We have already stated earlier that welfare is a total concept. Therefore we should not plan programmes piece-meal and stop at that. More could be synthesized for the continuous and harmonious development of the worker in his work, home and community contexts.

Another important principle of welfare administration is the principle of association. Work with the individual is the motto of this principle. Workers

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\(^{50}\)Punkar, Deodhar, Sankaran “Labour Welfare, Trade Unionism and Industrial Relations” pp 47 - 51.
through their representatives should be taken into confidence, consulted at various stages regarding the programmes and their implementation.

Again the principle of responsibility is another which makes for the success of welfare work. According to this there should be delegation of authority in the welfare fields, either by election or by proper nomination. Responsibility will succeed only in the measure that it is combined with authority and resources.

Allied to responsibility is the principle of accountability. This aspect could be taken care of by requiring persons or committees charged with responsibility to report periodically to a higher authority. This is the principle of evaluation or assessment.

Yet one more important and basic principle is the principle of timeliness. Most often programmes come to a stalemate or fail for lack of timely action, leadership, and help. Help while help is required is an excellent social work maxim.

4.9. THEORIES OF LABOUR WELFARE

There are several theories relating to labour welfare, which was developed, based on contexts, situation and time. These theories are not rigidly adopted as such in any organization but a modified version is generally followed. A judicious mix of the merits in each theory is adopted based on contexts, environments, industry and situation.\[51\]

Seven theories, constituting the conceptual frame of work of labour welfare, have been outlined, they are:

I. The Police Theory of Labour Welfare

II. The Religious Theory of Labour Welfare

III. The philanthropic Theory

IV. The Trusteeship Theory

V. The Placating Theory

VI. The Public Relation Theory

VII. The Functional Theory

4.9.1. The Policy Theory of Labour Welfare

This is based on the contention that a minimum standard welfare is necessary for labourers. Here, the assumption is that, without compulsion, periodical supervision and fear of punishment, employers will not provide even the minimum welfare facilities for workers. Apparently, this theory assumes that man is selfish and self centred and always tries to achieve his own ends, even at the cost of welfare of others.

4.9.2. The Religious Theory

This is based on the concept that man is essentially a ‘religious animal’. Religious feelings sometimes prompt an employer to take up welfare activities in the expectation of future benefit, either in this life or in some future life. According to this theory any good work is considered as an investment. Both the benefactor and beneficiary are rewarded. Another aspect of the religious
theory is the atonement aspect. Some people take up welfare work in a spirit of atonement for their sins. This is why the benevolent acts of welfare are treated as either an investment or atonement.

4.9.3. Philanthropic Theory

This theory is based on man’s love for mankind. In Greek “Philos” means love and “Anthropes” mean man. So Philanthropic means love for mankind. Man is believed to have instinctive wage by which he strives to remove the sufferings of other and promote their well being. This drive may be rather powerful one and may impel him to perform noble sacrifices. In fact the labour welfare movement began in the early years of the Industrial Revolution with the support of such philanthropist such as Robert Oven. In India Mahatma Gandhi was one of the eminent philanthropists who strove for the welfare of labour.

4.9.4. Trusteeship Theory

This is also called the Paternalistic Theory of Labour Welfare. According to which the industrialist or employer holds the total industrial estate properties and profits accruing from them in trust. In other words, he uses it for himself, for the benefit of his workers and for society. Workers are like minors; they are ignorant and are not able to look after their work interests. Employers therefore have the normal responsibility to look after the interest of their wards, who are workers. There is naturally no legal binding, but since it is a moral obligation, it is supposed to be no less effective. The main emphasis here is on the idea that employers should provide, out of the funds under their control, for
the well being of their workers. Mahatma Gandhi very strongly advocated this Trusteeship Theory.

4.9.5. The Placating Theory

This theory is based on the fact that labour groups are becoming demanding and militant and are more conscious of their rights and privileges than ever before. Their demand for higher wages and better standards cannot be ignored. According to this theory timely and periodical acts of labour can appease the workers. They are some kind of pacifiers, which come with a friendly gesture.

4.9.6. Public Relation Theory

This theory provides the basis for an atmosphere of goodwill between labour and management and public. Labour Welfare programmes under this theory work as a sort of an advertisement and help and industrialist to build up good and healthy public relations. This theory is based on the assumption that labour welfare movement may be utilized to improve relations between Management and labour. An advertisement or an exhibition labour welfare programmes may help an industrialist to project to the public a good image of his company. Thus, sales as well as industrial relations may improve management employee relationship resulting in a twofold benefit to the company.

4.9.7. Functional Theory
This is also called the Efficient Theory. Here welfare work is used as a mean to secure, preserve and develop the efficiency and productivity of labour. It is obvious that if an employer takes good care of his workers they will tend to become more efficient and will thereby step up production. But this depends on a healthy collaboration between Union and Management and their mutual concern for the growth and development of the industry. Higher production benefits both management and labour. The latter is the functional aspect of welfare having efficiency as its object which increases productivity. This theory is a reflection of contemporary support for labour welfare. It can work well if both the parties have an identical aim in view, that is higher production through better welfare. Moreover this will encourage labour participation in welfare programmes.

In India the industrial system clings largely to the paternalistic approach. Some management however tries to achieve results through police control. Either way workers start expecting too much from employers and as a result of which employers provide welfare measures in a somewhat half hearted manner. The Trusteeship theory can also be applied suitably in Indian condition, though in long run it is better to act on the basis of the functional theory of labour welfare, for it works more effectively by reason of an intelligent and willing participation of workers.

4.10. CLASSIFICATION OF LABOUR WELFARE

The term “labour welfare” is an all embracing phrase. It includes various activities relating to the different aspects of the working classes. In brief these activities may be divided into the following categories:
4.10.1. Statutory

Statutory welfare refers to those provisions which are derived from the coercive power of the government. Every welfare state promotes the welfare of the people by securing and protecting a social order in which justice, socio-economic and political aspects conform to all the institutions of national life. In particular, the state directs its policy towards securing an adequate livelihood for all citizens. Therefore, the government enacts certain legislations regarding working and living conditions, minimum wages, safety and sanitation. Such statutory provisions are gradually increasing along with industrial development.

4.10.2. Voluntary

Under Voluntary welfare we include those activities which are undertaken by employers for their workers. They are primarily oriented to democratic value system. Such welfare activities are apparently philanthropic but in the long run they increase the efficiency of workers and reduce the chance of conflict between employers and workers.

4.10.3. Mutual

Mutual welfare refers to those activities which are initiated by workers for their betterment in a suitable manner. For instance, trade unions undertake certain welfare activities for the social and economic betterment of their members.

1.10.4. Other classification
Besides the above classification welfare activities may be further divided into two headings:

1. **Intra-mural activities**

   By intramural activities we mean those amenities and services which have been provided by the employers inside the factories e.g. sanitary conditions, medical facilities, shelter and canteens, provisions relating to safety, sufficient light and the like.

2. **Extra-mural activities**

   Under extra-mural activities we include those services and amenities which are available to workers outside the factory e.g., provisions of good housing, medical facilities, recreation and education.

### 4.11. NEED FOR LABOUR WELFARE IN INDIA

The necessity of labour welfare is felt more in India because it is a developing economy and it aims at rapid economic and social development. A resolution passed by the Indian National Congress on Fundamental Rights and Economic Programme in its Karachi session in 1931 demanded that the organization of economic life in the country must conform to the principles of justice and it might secure a decent standard of living. It also emphasized that the state should safeguard the interest of industrial workers and should secure for them a suitable legislation, living wages, healthy condition of work limited hours of labour, suitable machinery for the settlement of disputes between employers and workmen and protection against the economic consequences of old age, sickness and unemployment. The need has been emphasized in
the constitution of India in the chapter of on the Directive Principles of State Policy\textsuperscript{52}.

The relevant articles in this regard read as under:

\textbf{✓ Article 38}

The state shall strive to promote the welfare of the people by security and protecting as effectively as it may in which justice, economic and political social order, shall inform all the institution of the national life.

\textbf{✓ Article 39}

The state shall in particular direct its policy towards securing:

a) That citizens, men and women equally have the right to an adequate means of livelihood.

b) That the ownership and control of material resources of the community are so distributed as best to sub serve the common good.

c) That the operation of the economic system does not result in the concentration of wealth and means of product to the common detriment;

d) That there is equal pay for equal work for both and women.

e) That the health and strength of workers, men and women and tender age of children are not abused and that citizens are not force by economic necessity to enter allocations unsuited to this age or strength.

f) That the children are given opportunities and facilities to develop in a healthy manner. In conditions of freedom and dignity and their

\textsuperscript{52}Vijay Asdhir, “\textit{Management of Industrial Relations}”, (New Delhi: Kalyani Publishers), pp. 487 - 489.
childhood and youth are protected against exploitation and against moral
and material abandonment.

✓ Article 41

The State shall within the limits of its economic capacity and
development, make effective provision for securing the right to work, to
educate and to provide public assistance in cases of unemployment, old age,
sickness and disablement and in other cases of undeserved want.

✓ Article 42

The State shall make provision for securing just and human conditions
of work and for maternity relief.

✓ Article 43

The State shall endeavour to secure, by suitable legislation or economic
organization or in any other way to all workers in agricultural, industrial or
otherwise, work, a living wage, conditions of work ensuring a decent standard
of life and full enjoyment of leisure, social and cultural opportunities. In
particular the state shall endeavour to promote cottage industries on an
individual or co-operative basis in rural areas.

The need for social and Industrial Welfare in India in all sectors is
clearly enunciated in our constitution.

4.12. SOCIAL SECURITY SCHEMES IN INDIA

The concept of social security is essentially related to the high ideals of
human dignity and social justice. It is primarily an instrument of social and
economic justice. According to Indian Labour Organisation (ILO), Social
security is the protection which society provides for its members through a
series of public measures, against the economic and social distress that otherwise would be caused by the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, invalidity, old age and death, along with the provisions of subsidies for families with children\textsuperscript{53}.

According to the Social Security (minimum standards) convention (No.102) adopted by I.L.O. in 1952 following are the nine components of Social Security\textsuperscript{54}:

I. Medical care

II. Sickness benefit

III. Unemployment benefit

IV. Old-age benefit

V. Employment injury benefit

VI. Family benefit

VII. Maternity benefit

VIII. Invalidity benefit

IX. Survivor’s benefit

The Social Security Schemes are of two types:

a) Social Assistance, under which the state finances the entire cost of the facilities and benefits provided.

\textsuperscript{53} I. L. O. “\textbf{Approaches to Social Security}” An Introductory Survey, 1942, p.80.

b) Social Insurance, under which the state organizes the facilities financed by contributions from both the workers and employers with or without a subsidy from the state.

The Social Insurance method which has gained much wider acceptance than the social assistance method consists of the following enactments:

1. The workmen’s Compensation Act, 1923
2. The Employee’s State Insurance Act, 1948
3. The Employee’s Provident Funds and Miscellaneous Provision Act, 1952
4. The Maternity Benefit Act, 1961
5. The Payment of Gratuity Act, 1972
6. The Industrial Disputes Act, 1947

All the above said Social Security Schemes significantly contribute to positive human resource management and particularly in hotel industry.

4.13. SOCIAL SECURITY INITIATIVES IN KERALA

Kerala has been a pioneer in Social Security in India and several schemes are under implementation. The self and wage employment programmes are mostly implemented through Central Grants, JRY and NRY. An attempt is made to present the Social Assistance Schemes and Welfare
Fund Schemes and related aspects implemented by Statutory Boards and Government Departments. 55

Social Assistance Scheme presently operational in Kerala are listed as follows:

Statement No.1

1. Kerala Agricultural Worker’s Pension Scheme.

2. Kerala Destitute Old Age Pension Scheme.


4. Assistance to indigent T.B., Leprosy and Cancer patients.

5. Pension for Sportsmen in indigent circumstances.


The Social Security Schemes implemented by Statutory Boards in Kerala are listed as:

Statement No.2

1. Kerala Coir Workers Welfare Scheme.

2. Kerala Handloom Workers Welfare Scheme.


5. Kerala Cashew Workers Welfare Scheme.


11. Kerala Head Load Workers Scheme.

12. Kerala Agricultural Workers Welfare Fund Scheme.


The non-statutory and other miscellaneous schemes operational in Kerala are listed as:

**Statement No.3**


4. Kerala Advocate Clerk’s Welfare Fund Scheme.

5. Kerala Artisans and Skilled Workers Welfare Scheme.
6. A Special Employment Programme for one lakhs youth in Agriculture.


8. Self-Employment Assistance Scheme.

9. Scheme of Financial Assistance to Widows towards Marriage Expenses for their daughters.


11. Group Insurance Scheme of LIC.

4.14. HUMAN RESOURCES MANAGEMENT

Organizations are made up of people and functions through people. Without people, organizations cannot exist. The resources of men, money, materials and machinery are collected, coordinated and utilized through people. These resources by themselves cannot fulfill the objectives of an organization. They need to be united into a team without united human efforts; no organization can achieve its goal. People are the most significant resource of any organization. This resource is called human resource. Human resources may be defined as “the knowledge, skills, creative abilities, talents and aptitudes obtained in the population”.

4.14.1. DEFINITION OF HUMAN RESOURCE MANAGEMENT

Human Resource Management (HRM) may be defined as a set of policies, practices and programmes defined to maximize both personal and
organizational goals. According to Flippo, HRM is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual organizational and societal objective are accomplished\textsuperscript{56}.

Davind. A, Decenz & Stephen P. Robbins defines HRM as “A process consisting of four functions – acquisition, development, motivation and maintenance of human resources\textsuperscript{57}.

Scott and others have defined as follows:

HRM is that branch of management which is responsible on a staff basis for concentrating on those aspects of relationship of management to employees and employers to employees and with the development of the individual and the group. The objective is to obtain maximum individual development, desirable working relationship between employers and employees and employees and employees and effective moulding of human resources as contrasted with physical resources\textsuperscript{58}.

According to National Institute of Personal Management, Kolkata, India, “Personnel Management, Labour Management, or Staff Management means quite simply the task of dealing with human relationships within an organization.

\textbf{Academically the three aspects of Personnel Management are:}

\textsuperscript{56}Edwin B. Flippo, \textit{“Personnel Management”}, 1980, p.5.


I. Welfare aspect, concerned with working conditions and amenities.

II. Labour or personal aspect concerned with recruitment, placement.

III. Industrial relations aspect concerned with trade unions, negotiations and collective bargaining\(^59\).

According to Thomas G. Spates, “Personnel Administration is a code of the ways of organizing and treating the individual at work so that they will each get the greatest possible realization of their intrinsic abilities, thus attaining maximum efficiency for themselves and their group and thereby giving to the enterprise of which they are part, its determining competitive advantage and optimum results\(^60\).

Human Resource Management is known by different names e.g., Personnel Management, Manpower Management, Personnel Administration and Staff Management.

4.14.2. CHARACTERISTICS OF HRM

On the basis of definitions given above, the following features of HRM can be identified:

1. Comprehensive function

2. People Oriented


3. Action Oriented
4. Individual Oriented
5. Development Oriented
6. Pervasive Function
7. Continuous Function
8. Future Oriented
9. Challenging Function
10. Science as well as Art
11. Staff Function
12. Young discipline
13. Interdisciplinary
14. Nervous System

4.14.3. SCOPE OF HRM

Human Resources Management as a distinct function of significance started with a very limited scope to ensure “Health and Happiness”, Modern HRM has emerged through many stages. But the scope of management in general and personnel in particular has changed considerably covering more areas and responsibilities. Since HRM’s ambit widens according to the changing times and situations, the scope of HRM cannot be distinctly bound.\(^\text{61}\)

However, American Society for Training and Development (ASTD) conducted an exhaustive study in this field and identified nine broad areas of HRM activity\textsuperscript{62}. These are as follows:

- Human Resource Planning (HRP)
- Design of Organisation and Staff
- Selection and Staffing
- Training and Development
- Organisation Development
- Compensation & Benefits
- Union or Labour Relations
- Personnel Research and Information System

\textbf{4.14.4. HUMAN RESOURCE PLANNING (HRP)}

The objective of HRP is to ensure that the organization has the right persons at the right time at the right place. The organization must have a Human Resource Inventory in order to assess present and future needs availability of personnel and possible shortages. Therefore HRP must forecast demand and supplies and identified sources.

\textbf{DESIGN OF ORGANISATION AND JOB}

\textsuperscript{62}American Society for Training and Development, Models of Excellence, ASTD, 1983.
This is the task of laying down organizations structure, authority, relationship and responsibilities. This will also mean definition of work contents for each position in the organization by specifying and describing jobs.

✓ **SELECTION AND STAFFING**

This is the process of recruitment and selection of staff. This involves matching people and their expectations with the job specification and career path available within the organization.

✓ **TRAINING AND DEVELOPMENT**

This involves an organized attempt to find out training needs of individual to meet knowledge and skill, which is needed not only to perform current job but also to fulfil future needs of the organization.

✓ **ORGANISATION DEVELOPMENT**

This is an important factor, which develops a healthy interpersonal an inter-group relationship, a synergetic effect in the organization.

✓ **COMPENSATION & BENEFITS**

This is the area of wages and salaries administration, where wages and compensations are fixed scientifically to meet fairness and equity criteria. In addition, compensation and benefits involve labour welfare measures which include benefits and services.

✓ **EMPLOYEE ASSISTANCE**
Each employee is unique in character, personality, expectation and temperament. By and large each of them faces personal and official problems everyday. In either case, the employee remains worried and to make the employee more productive and rappy, he must be freed from the worries by means of counselling and other methods.

✓ UNION OR LABOUR RELATIONS

Healthy Industrial Labour relations are very important for enhancing peace and productivity in an organization. This is one of the important areas of HRM.

4.14.5. PERSONNEL RESEARCH AND INFORMATION SYSTEM

Knowledge on Behavioural Science and Industrial Psychology throws better insight into the workers expectation; aspirations and behaviour, advancement in the technology of production create modified or new working environments. Globalisation of economy increases competition many fold. Science of ergonomics gives better ideas of doing a work by an employee. Therefore continuous research in the area is an indispensable requirement.

4.14.6. OBJECTIVES OF HRM

Every organization has some objectives and every part of it should contribute directly or indirectly to the attainment of desired objectives. Objectives determine the character of an organization and serve as the basis for Voluntary co-operation and co-ordination among employees. Objectives also provide benchmarks or standards of evaluating performance.
Objectives of HRM are derived from the basic objectives of an organization. In order to achieve organizational objectives integration of coordination among employee’s interests is necessary. In this light the objectives of HRM may be summarized as follows:

I. To help the organization attain its goal by providing well trained and well motivated employees.

II. To employ the skills and knowledge of employees efficiently and effectively.

III. To enhance job satisfaction and self actualization of employees by encouraging and assisting every employee to realize his full potential.

IV. To establish and maintain productive, self respecting and internally satisfying work relationship among all the members of the organization,

V. To bring about maximum individual development of members of the organization by providing opportunities for training and advancement.

VI. To secure the integration of all the individuals and groups within the organization by reconciling individuals or group goals with those of an organization.

VII. To develop and maintain quality of work life which makes employment in the organization a desirable personal and social situation.
VIII. To maintain high morale and good human relations within the organization.

IX. To manage change to the mutual advantages of individuals, groups, the organization and society.

X. To recognize and satisfy individual needs and group goals by offering appropriate monetary and non-monetary incentives.

The requirements for attaining the above objectives are as follows:

I. Recruiting the right personnel possessing necessary skills and attitudes.

II. Developing clearly defined objectives and policies through common understanding and mutual consultation.

III. Communicating and explaining the goals to be achieved and the contribution expected of every member of the organization.

IV. Dividing the task properly with clear cut authority, responsibility of relationship of one position with another.

V. Maintaining sound industrial and human relations so as to secure the willing co-operation of all.

VI. Providing suitable monetary and non-monetary rewards for the contributions of employees.

4.14.7. HRM IN SERVICE ORGANISATION
Considering the unique features of service organization, HR interventions in this area need to be customer oriented. There ought to be specific measures to motivate and develop human elements to ensure that the quality of work is not compromised.

The awareness that basic features of services are very much different those of a manufactured product has a significant bearing on management of an organization in the service sector as against one in the manufacturing sector. Major differences between the two according to Albrecht and Zemkey are:

- Sales, production and consumption of a service take place almost simultaneously, where there is usually a long lead time between production and sale of a product.
- Unlike a manufactured product service cannot be centrally produced, inspected, stock piled or warehoused. It is usually delivered where the customer is, by people who are beyond the immediate influence of management.
- A service cannot be demonstrated, nor can a sample be sent for customer approval in advance of purchase, as done in the case of a product.
- A customer receiving the service generally owns nothing tangible once the service has been delivered: the value is frequently internal to the customer. In the case of a product, it is just the opposite.

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63 Albrecht, Karl and Zemke, Ron (1985), Service America Homewood, Illinois; Dow Jones - Irwin
✓ A service is frequently an experience that can’t be shared, passed around or given away to someone else it is delivered, but a product can be done so.

✓ Delivery of a service usually requires some degree of human contact: receiver and deliverer frequently come together in a relatively personal way. A product can be transported by several other means.

Quality Control over a service requires monitoring of processes and attitudes of one’s staff. It is thus argued that there should be a separate legislation governing matters pertaining to labour welfare of men in service sector.

4.14.8. SALIENT FEATURES OF HOSPITALITY SERVICES:

Lalit Bhasin observed that the activities of hotels and restaurants constitute what can more appropriately be called “Hospitality Services” as distinct from an industry. Hospitality Services do not generate foreign exchange only, but also internal revenue for the state in the form of sales tax, Luxury tax expenditure tax, Licence fees, Excise duty and Property tax. It generates good will among people like no other industry does. This cannot be evaluated in terms of turnover, profits and exports. It is reflected in the satisfaction of customer. It is the service element, which distinguishes hospitality services from other industries. The input output of a service

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industry is human beings. Since human needs are not time specific, hotels work round the clock.

Further in hotels unlike in shops things that are not sold on a particular day become damaged and cannot be sold the next day; the left over have to be thrown away as complete loss. In the same premises, processing of things has to take place in the case of catering establishments while only sale takes place in shops. A catering establishment has to work to maximum on holidays when public feels going out to enjoy. Early opening and late closing, the catering establishments have to provide for food to their employees. Because of all the above said reasons, HR factors are crucial for hotel industry.


The Supreme Court of India has recognized the distinction between the hotels and other establishments where goods are produced, manufactured and sold. The court held that there is no sale of food in a hotel because providing food is a part of the overall activity to serve food in a proper atmosphere and the atmosphere and the element of service cannot be taxed. Several foreign court verdicts also clearly state that what an hotelier, restaurant keeper or an innkeeper does is not sales at all, even though his functions in the capacity include buying and selling. He does not sell anything but he ‘utters’ his commodities, his servants attend and extends the furniture, house, rooms and lodging for the guests. He is a ‘hesitator’ who is paid for care, pains, protection and security.
The hotelier provides many services in addition to the supply of food. He provides furniture and furnishings, linen, crockery and cutlery and in the eating places of today, he may add music and a specially provided area for floor dancing and in some cases a floor show.

Keeping the above said factors in view, hotel and restaurant industry should be treated differently and distinctly in so far as, the applicability or labour law is concerned. This distinction has been in the case of hospitals, charitable institution and professionals, even under the existing Industrial Disputes Act. The special requirements of catering establishments have been considered in making laws for the area in several states. In the Tamil Nadu Hotels and Establishments Act, 1958, it is provided.

The period of work of an employee shall be so arranged that along with is an interval for rest it shall not be more than 14 hours in a day, provided that number of intervals for rest for an employee in any day shall not exceed two. But there is no adequate provision in the Act for health and safety standards to be maintained and for the welfare facilities to be provided in hotels and restaurants. Moreover since the tourism and its related hotel business are seasonal ones, the provisions relating to lay-off, retrenchment, closure etc. as provided in the Industrial Disputes Act, 1947, cannot be applied in these areas.

4.14.10. PROBLEMS IN HOTEL INDUSTRY CALLING FOR HR INTERVENTION

There are certain difficulties, which are peculiar to hotels and restaurants. Intermittent stoppage of work often happens in restaurants with a view to pressurize and coercive the management. The workmen, under the
insistence of trade unions, would go as lightening strikes during the lunch and
dinner times without giving any prior notice, causing wastage of the good
prepared for lunch and dinner service. On numerous occasions, the stewards,
despite having taken orders, refused to serve food to guests, besides loss of
revenue to management.\textsuperscript{65} Such intermittent stoppage of work may not be
considered sufficient to merit dismissal of the concerned workmen in the case
of a factory, but in the case of hotels and restaurant industry, such acts of
misconduct on the part of the employees must be classified as a gross act,
meriting their dismissal from service. All practices which may cause
inconvenience and irritation to the guests of the restaurant therefore should be
banned totally and any employee indulging in such a practice should be
dismissed from service.

\begin{itemize}
\item \textbf{OVERTIME PAYMENT}
\end{itemize}

In view of the nature of the hospitality business, especially in areas like
restaurants, banqueting etc., overtime work becomes necessary particularly
when employees remain absent from duty. There are provisions for granting
compensatory off when business may be slack, instead of paying overtime
straight away. However, the rate has to be modified to prevent employees
from refusing to do overtime as and when necessary, without fixing any rigid
limit on overtime.

\begin{itemize}
\item \textbf{MEDICAL EXAMINATION}
\end{itemize}

All employees, especially food handlers must undergo periodical medical
examination, inclusive of pathological tests of urine, stool, blood etc. in addition

\textsuperscript{65}An incentive work of performance, \textit{Express Hoteliers and Caterer}, July 1,
2002.
to pre-employment medicals, but neither the employers, nor the employees consider this seriously.

✓ NATIONAL AND FESTIVAL HOLIDAYS

While national holidays may be applicable to all employees, granting leave for festival holidays, religious as well as local will have to be regulated and the hotelier should be free to exercise his discretion in this regard since the hotel cannot be closed even for a day.

✓ SERVICE RULES

The lack of comprehensive legislation governing the applicability of the Standing Orders, Service Rules etc. causes confusion leading to conflicts. Hence such a rule and sensible intervention of HRM are necessary in order to explain rights and positions, and to ease out tension. Direct actions like strikes, agitations, wearing badges, picketing etc. in the hotel premises affect not only the functioning of the hotel but also the employment of workers, since these action threaten safety, good will, and the very existence of the hotel. As the proposed legislation will be comprehensive to take care of all aspects of hotels and restaurants, other acts such as Factories Act, Shops and Establishment Act etc., should not be applicable to any part of the establishment such as kitchen, bakery or laundry.

✓ PERFORMANCE RELATED PAY IN HOTELS

Performance Related Pay (PRP) is becoming popular in India since the system provides a means to service the stiffening competitions. Leading hotel companies are considering bringing all employees under the PRP system. It enables the management to utilize the full potential of individual employees
and the employees can earn the maximum by performing the maximum. Hence PRP and competition are characterized by mutuality, marginalizing the traditional norms like fixed annual bonus etc. This change opens the fast track to earn through sheer performance. The managements are relieved of high staff costs if individual performance of employees goes up, and the employees are rewarded for their excellence that normally goes unnoticed and unrewarded. Further modifying the concept of PRP, the base has been shifted from ‘best practice’ to ‘best fit’ making the norm flexible to suit situations. This led to an increasing number of companies forming their version of performance – related salaries no matter how small.

✓ 360 DEGREE FEEDBACKS

No reward innovation should take place unless a cost - effective analysis has forecast that they will add value. The audit monitoring processes should establish the extent to which the predicted benefits have been obtained and should check on the costs against the forecasts. Herein lays the role of the 360 Degree evaluation system. This is the process of reporting the collected data about the performance of individuals or groups from bottom to top and from top to bottom. The simple definition of Performance Management is the systematic Collection and feedback of performance data on an individual or a group derived from a number of stakeholders. It is also referred to as multi source assessment or multi rate feedback. Performance data in a 360 degree feedback process can be generated for individuals from a person to whom they report their direct reports, their peers, and their external and internal customers. A self assessment process may also be incorporated using the criteria for the generation of feedback, for comparison purposes.
Feedback can be initiated entirely by peers or by both peers and team leaders. It can also take the form of 180 degree or upward feedback where subordinates give this to their managers. Feedback may be presented direct to individuals or to their managers or both.

✓ **RATIONALE FOR 360 DEGREE FEEDBACKS**

The main rationale for 360 degree feedback is that its activities are usually based on the assumptions:

Self awareness is increased by the awareness of the discrepancy between how one sees oneself and how others see one, and

Enhanced self awareness is a key to maintain performance as a leader and thus, becomes a foundation block for management and leadership development programmes.66

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