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CHAPTER – I
INTRODUCTION

Non Governmental Organizations (NGOs) are recognized as voice of the people and representatives of grassroots democracy. NGOs are role models for many governments across the globe in devising, testing and improving development models like the promotion of Self Help Groups (SHG) and other “best practices”. The popular poverty alleviation programmes like small savings, micro-credit and microfinance are the brain children of NGOs that have emerged as Third Sector next to Government and the Corporate.

NGOs in India have been implementing development programmes right from its Independence. By and large, the significant contributions made by the NGOs have gained acceptance and recognition from the governments as well as the general public. But it has been realised that it is very much challenging for the NGOs to continue to operate with the same style and focus followed for decades in 21st century with different issues and problems.

This research aims to study the Human Resource Management (HRM) systems and practices by NGOs operating in the State of Tamilnadu, India. The universe of the study is the staff members working in NGOs that exist for more than five years in social development. This study applies descriptive design to learn about the current systems, and practices pertaining to management of the human resource in NGOs through a tested questionnaire tool used with 300 NGOs in the state of Tamilnadu by applying simple random
sampling. The researcher focuses on 13 dimensions of HR management discussed in detail in this chapter.

1.1. Non-Governmental Organizations in India

India has a great tradition of according importance to “Donation” (DHAANA) and “Service” (SEVA) \textit{(Ramni Taneja, 2010)}. This is the basis and philosophy behind the emergence of NGOs in India. The origin of NGOs can be traced back to 1775 when the victims of wars required services and support. During the Great Famine of India in 1876-78, non-governmental philanthropic efforts emerged to address the immediate needs of the people. Later, these organized efforts took part in the freedom struggle of India that challenged the British Raj. Similarly in 1943 the Great Famine of Bengal took place. Millions of people died due to starvation even though the granaries had enough to distribute \textit{(Roy, Tirthankar, 2006)}. In order to put an end to such man-made calamities, NGOs emerged to bring in social and political transformation. NGOs have played a crucial role in poverty reduction, disaster mitigation and political awareness \textit{(Koffi Annan, 1999)}. It was well recognized that NGOs can play a vital role in promoting human security and the achievement of the Millennium Development Goals \textit{(Ward, Thomas.J, 2007)}. The end of British rule provided space for blossoming of NGOs / voluntary organizations with social and political orientation after the independence. However, the significant growth of NGOs began only in 1960s, but then the
mushrooming growth of NGOs was witnessed in 1970s and 1980s. The end of cold war and privatization further paved way for multiplication of NGOs in India. In the post-Tsunami 2004, thousands of NGOs in Tamilnadu and INGOs came to the limelight. A report published in 2009 highlights that there are 3.3 million NGOs. This means that there is one NGO for every 400 population of India (Archna Shukla, 2010).

As per the study undertaken by the government of India in 2009, India has the largest number of NGOs in the world. There are 33 lakh NGOs with an approximate fund turnover of INR. 800,000 million per annum. Of the total budget, Rs.9,700 crore was mobilized from foreign sources (Megha, 2010). The rest were mobilized from government and CSR. The above cited study took into account only the societies and not those NGOs registered under trust and company act. It only indicates that the number will be much more. The Home ministry of India had declared that there were 33,937 registered NGOs with an annual turnover of Rs.12,289.63 crores in 2006-07 (Viswa Mohan, 2008).

1.2. NGOs in Tamilnadu

Tamilnadu State figures out one among the list of top 10 states that account for 80% of the total number of NGOs in India. It has more than 1.4 lakh NGOs as on 2008 (Archna Shukla, 2010).

Tamilnadu figures out among the top ten states with significant number of NGOs and to its credit, it receives the highest amount of grants in India. It is
estimated that there are more than 140,000 NGOs in Tamil Nadu alone. (Indian Express, July 7, 2010). Of the top 25 districts that received huge grants in the whole of India, seven are from Tamil Nadu. However, only 3002 NGOs have registered under the Ministry of Home Affairs for receiving foreign grants. In the recent years, Government of India is scrutinizing and controlling NGOs that receive foreign funds with the suspicion that they might be funding and supporting political actions like the protest against establishment of Nuclear Power plants at Koodankulam in Tirunelveli District of Tamil Nadu (Vasudevan R, 2012).

The role of NGOs in the successful implementation of MAHALIR THITTAM sponsored by the Tamil Nadu Women Development Corporation is very significant and visible. In Tamil Nadu, People’s Watch (Madurai) has established itself as a popular Human Rights Organization that advocates for the rights and protection of the vulnerable people. Like-wise, KUDUMBAM (Keeranur) has created an identity as a non-profit forum for promoting natural farming and sustainable agricultural practices in the state. Peace Trust (Dindigul) is another NGO known for promoting and protecting the environment. SCOPE (Trichy) is admired to be committed to promote ECOSAN (Ecological Sanitation) toilets in the state. SRED (Arakonam) is working for the uplift of marginalized dalit women. 24 Diocesan Social Services Societies run by the Catholic Church operates in all 32 districts with multifarious development programmes. Udavaum Karangal, (Chennai), Saranalayam (Tirunelveli), SONTHAM (Trichy) and NANBAN (Madurai), THALIRKAL (Chennai) ensure protection and the rights
of street children, neglected ones and children in difficult circumstances. There are some popular NGOs who are prominent actors at state-level; the World Vision is engaged in multipurpose activities across the state. DHAN Foundation is committed to watershed management and MFI. Hand in Hand focuses on MFI and livelihood programmes. Aide et India is focusing on livelihood and skills development of youth, Helpage India and ADD India are working for the empowerment of people with disability and aging.

Similarly, there are some state level network organizations like TNVHA (Chennai) which is a network of Health based organizations, CAN (Coastal Action Network) advocates for fish workers rights and protects coastal resources and the communities (Jesu Rathinam, 2009). LEISA (Trichy) promotes sustainable small scale rain-fed agriculture (Oswald Quintal, 1999). SAM (Social Action Movement - Tamilnadu) is a net work of more than three thousand NGOs in Tamilnadu. TASOSS is Training cum Resource centre for the 24 Diocesan Social Service Societies in Tamilnadu and Pondicherry (www.tasoss.org), Tamilnadu-Pondicherry State Parliament of Children (TPSPC) is an inter-state network of Children’s parliament (Ganesan, 2009). TALM is a movement of NGOs for Anti-Liquor campaign (Siva Kumar, 2009), TNEC - Tamil Nadu Environmental Council (Dindigul), HRF - Human Rights Foundation (Chennai), LRSA-Legal Resources for Social Action at Chengalpattu (www.equitabetourism.org) are some network organizations for social change and development.
1.3. Thrust areas of NGOs

In the beginning, NGOs were primarily focusing on charity and medical supplies to the poor and the victims during the time of emergency or calamities such as drought, cyclone, flood or riots etc. (Joshua Alexis, 2010). The focus of NGOs may vary from time to time and from region to region depending upon current trend and local issues. In general, the overall focus of NGOs can be socio-economic development of the target groups / people. However, there are NGOs which concentrate on a single theme such as Environment, Health, Education, Child Development, Women empowerment, Tribal development etc. (Muthusami Kumaran, 2008). NGOs have been engaged in offering Free Education and Job opportunities to poor children (Richard Domnic, 2010). Environmental protection and advocacy have been one of the major thrusts of many NGOs at national and international levels (Charnovitz, Steve, 1997).

1.4. Categorization of NGOs

Classification of NGOs is done by different people using different parameters. There is a wide variation in classifying them. Based on the geographical area of operation, some are considered to be grassroots level NGOs that operate at local levels / villages. Some NGOs operate at the state level while some others operate at National and International levels (Sushant, 2010). On account of their legal registration status, they are categorized as Trusts, Societies and Companies. NGOs are also categorized on the basis of their focus or orientation like Charity, Participatory Service and Empowerment.
Also the other classification includes level of operation like Community Based Organization, City wide, national and international organizations (Cousins William, 1991) Development Organizations, Micro Finance Institutions, Rights Based Organizations, and Cultural Organizations and so on. Also, NGOs are classified on the basis of their nature of work. NGOs working at grassroots level are known as operational NGOs and those who work towards broader goals like policy changes are identified as Campaigning NGOs. These classifications are in no way limited to the above said but there are other perceptions too.

1.5. Human Resources Management in NGOs

Human Resources (HR) are very important for the success of any organization. Studies show that HR contributes 80% of the value of an organization. They are the drivers of the organization who set goals, plan the strategies, and implement the actions to achieve the desired results. The major portion of the budget of the organization is set apart to enhance and manage the human resources. They are the best assets. Managing them properly will lead to the success of the organization. Hence, this study discusses elaborately the process of HR management and related issues.

1.6. Human Resource Planning

It is very important for an NGO to invest adequately in planning its Human Resource requirements. The organization has to clearly define the
specific human resource requirements and the ways to fulfil the requirements. It means the employer has to first of all define the organization’s structure as to identify the required staff members. The management has to define the roles and responsibilities of those departments and cadres once they are identified. And then it has to look for right people for those specific tasks. The importance of human resource planning and then integrating personnel strategy within a coherent framework has been very much emphasized. The HR experts highlight the need to earn employee commitment by deliberate managerial action (John Bramham, 1994).

Human Resource planning is very essential for the organization as the workforce keeps changing constantly for various reasons. Hence the management has to remain prepared to respond to the changes by updating the plans periodically. It aims to analyse the process involved in HR Planning and executing the same in a challenging setting with different socio cultural and political scenario. As today's organizations operate in a rapidly changing environment they need to develop and upgrade the ability to manage changes that is taking place within the organizations and the people closely associated with them. It is very clear that changes in any field are inevitable and the people are to equip themselves to cope with the changing scenario. Thus the change in the organizations received a great deal of attention over the past several decades, as organizations face new and complex challenges in managing their day today affairs. Correspondingly, the field of HR planning is also
receiving a great deal of attention now. True HRD is possible only when the organisation as a whole is constantly re-examining its jobs, positions, and systems from periodic reviews of its operational experiences (Vijay Padaki, 2007).

The very HR planning starts from making a scenario plan which is basically an assessment on the current situation, possible future developments and their impacts on the employees. The three key elements of the HR planning process are forecasting labour demand, analyzing present labour supply, and balancing projected labour demand and supply. Therefore, the organizations should not fail in identifying the demand for delivering professional services, both numerically and in the skills required, and securing the appropriate supply (Reilly, 1996). But this scenario plan is very much influenced by the goals, strategies and practices of the organization. It will ensure the need for making workforce analysis both internally and externally as to understand and define the present situation. It is very important for the organization to forecast the future demand, understand the current supply and requirements of the potential workforce. Forecasting employee requirements involves in determining the number and types of employees needed for the organization. The analysis of the employee requirements in an organization reveals whether there is a surplus or shortage of human power in the organization (Lo-Ann Placido, 2011).

This analysis will lead the organization to have a clear picture on the current situation and future demands of the workforce in NGO sector and help planning and implementing the capacity enhancement programmes for the recruited staff members.
1.7. Workforce / Employees / Labour

Analysis of the employee requirements focuses on having a workforce planning for the NGOs involved in multifaceted development programmes and activities. Hence workforce planning in NGO sector is very much complex. In this context the word “workforce” refers to the employees of an organization and the pool of potential employees is known as “labour force”. The workforce of the NGOs in Tamilnadu are basically from the same region and so also the labour force, which means the potential employees are located in different parts of the state. Some may be from the same city or District. Since the workforce is from the local / neighbouring District / city the labour force more or less has similar characters in terms of unemployment rates, quality of education and industrial.

In a developing country like India the labour markets have surplus of labour and the population is very young. As it is widely known the unemployment rate of these young people is very high because of the limited education or work skills. But it has to be understood that there are individuals with higher education and appropriate skills having great deal of demand from the multinational organisations within and outside the country. Hence the organizations have to plan their HR practices keeping these realities in mind. It is also important for the organizations to understand that the workforce is very much diversified and they demand for dynamic HR plans and practices. It relates to a range of terms and conditions of employment. Many organizations
which have been at the forefront of change, in particular Japanese manufacturing companies, have featured initiatives designed to harmonize terms and conditions of employment between white- and blue-collar workers in an attempt to foster a greater feeling of ‘community’ in their workforce (Lewis, Philip 2001, 109).

HR planning techniques if appropriately applied all possible problems as regards to HR planning and practices can be avoided in the beginning itself. The planning has the methods and techniques of generating solutions that could affect the organisation structure, job design and work practices. In HR planning there are provisions for dealing with the key issues like skills shortages or decline of the availability of young workforce. So HR planning is an important component of strategic HR management. It links HR management directly to the strategic plan of the organization. Majority of the organizations have a strategic plan that guides them in successfully meeting their missions (John Bratton & Jeffrey Gold 2003, 200). If the organisation succeeds in aligning with the worker investment with the business strategy it increases the possibility for prosperity in the marketplace.

In India, an NGO comes into being mostly around externally funded projects. By and large the funding is allocated for a specific project and each project has a specific timeline mutually agreed upon for the completion of the project. Therefore the projects by default have a beginning and an end. Majority of the staff appointments in the NGOs are therefore project based, contractual and for specific periods. Such a heavy dependence on project funding makes an organisation invest very less or none in HRD (Vijay Padaki,
2007). Hence NGOs have to critically look into this situation and plan the HRD accordingly.

It is very clear that the NGOs in Tamilnadu have not consistently made their plans for making HR practices and activities effective. This unplanned HR situation in an organization is also the cause for shortages of right and relevant officers/managers for the projects. In addition, it sometimes overburdens the existing project personnel with multiple responsibilities making them not able to do justice to either of their responsibilities.

It is to be noted that NGOs should set up independent HRM department as they have for all other specialized management functions. It is very sad to note that most of the NGOs having more than 20 employees do not have HR department or even an independent in charge person although HR functions are crucial for the organization. Some of the HR-related tasks can be performed by the general management but not all the specialized tasks which are to be technically handled and managed. Vijay Padaki (2007) suggests the NGOs’ syndicate to set up a ‘HRM Co-operative’ to provide services, supporting it on a shared-cost basis. Indeed, this could extend to a ‘Management Services Co-operative’ in which several key management services are based for and on behalf of the member NGOs - strategic planning, job analysis, market research, and so on. Such a co-operative would be very different from a consultancy firm offering these services to the NGO sector. It is a pressing need for the NGOs to have a reliable and updated database for job evaluations and staffing decisions.
The periodic benchmarking and inter-organizational comparative surveys needed for this may be located in such a co-operative.

However, the NGOs have to be appreciated for maintaining a good working relationship among the project personnel in spite of having a free structure of HR practices. It could also be noted that there is an atmosphere for open discussion as regards the programme implementation. Different field staff members do know their power in making decisions in relation to implementing project activities and managing the peoples’ organizations and their routine activities. It is also good to note that the project officers and field workers are considered as resourceful and given priority for new projects and responsibilities.

Therefore the NGOs have to have well defined HR plan as to avoid various problems arising with the workforce of the organization. The HR plan will help the organizations maintain equilibrium with the workforce and optimise the level of human power for professionally managing the programmes. When an organization wants to maintain workforce equilibrium, it has to look into several HR activities such as recruitment, training and reward management (John Bratton & Jeffrey Gold 2003, 195). These HR activities are further discussed in detail in the following pages.

1.8. Recruitment and Selection

Recruitment and Selection is another important component of HR planning. An NGO has to adequately invest in and strictly adhere to the procedures in recruiting the required workforce. It goes through four different
stages such as defining requirements, planning recruitment, attracting and selecting candidates. These stages have to be carefully implemented depending on the demands of the organization as to ensure right candidates are recruited to the organization (Armstrong 2010, 192). The researcher reviews different related literatures under this heading. Also, it explains the process involved in recruiting and selecting the required personnel for the non-profit organisations.

To define the workforce requirements, the organization has to look into its defined strategies and broad HR plan. It gives a clear picture on the kinds of employees needed and their roles and responsibilities to be executed for effective programme management. In doing so the organization has to make a thorough analysis on the competencies and characters required for carrying out specific job accountabilities. Armstrong (2010, 192) says the aim of selection is to assess the suitability of the candidates by predicting the extent to which they will be able to carry out a role successfully. It involves deciding on the degree to which the characteristics of the applicants in terms of their competencies, experience, qualifications, education and training match the person specifications. It also involves using this assessment to make a choice between the candidates. Therefore the organization need to further define the recruitment plan and advertise in the media seeking for applications from the suitable candidates for the posts vacant in the organizations. This recruitment and selection process could be influenced by the very timing, the complexity of the job, type and experiences of the candidates and so on and so forth.
The NGOs in Tamilnadu, when they go for recruiting needed employees, look for certain characteristics and competencies required for the specific post. Patience, strong mindedness, empathy, positive attitude, openness, humour and independency are some of the emotional competencies valued in general as required for an employee working with the NGOs. These emotional competencies are more critical for the employees working with the people from different cultures and background. It will also help them to come out of their comfort zones and accommodate with any difficult situation as to accomplish the job accountabilities. Analytical, organisational, social and facilitation skills are considered very important competencies for working with people from different socioeconomic and cultural background.

Having defined the job requirements the organization has to plan for attracting suitable applicants through advertisements for the vacancies. Advertisements should be carefully prepared as to attract only the right and potential candidates from the labour market. It is very important for the organisation to clearly specify its strategy and culture in the advertisements as the job seekers today widely look for such organisations that can match their values and reputation. The information on the organization and role will be useful to attract right and suitable candidates (Gareth Roberts 1997, 8). With the NGOs it is understood and accepted that the whole purpose of the organisation is to improve the living conditions of the marginalised rather than making profit and therefore the emphasis is given to individual persons and
labour rather than revenue. Employee referrals, advertisements, websites and professional agencies are the ways to reach out and attract the right and suitable applicants. It is through these media the organisation disseminates its culture, values and desired image to the labour force. Of late the organizations have also undertaken online recruitment particularly when they go for recruiting people from other states and sometimes other countries.

Deciding on the selection of the suitable candidates, it is very important and it requires the full attention of the management because the errors committed during the selection will have greater negative impacts on the growth of the organizations. The organization has to carefully note down all expected social and technical skills and try to explore whether the candidates possess all of them and able to perform well in an environment where people of different socioeconomic and cultural backgrounds live. Different posts with multiple accountabilities demand specific criteria for selecting the candidates. Emotional stability, independent decision making, knowledge of the ground realities and support from the family or partner are some of the criteria for selecting the candidates. It is often the case that the final selection is a compromise, that no candidate perfectly matches the specifications and that an offer is made to the person who most closely matches the specification (Gareth Roberts 1997, 16). In general all the selections are not successful due to lack of well defined criteria for the selection in place. Sometimes the selected candidates find it difficult to adapt themselves to the situations or their family
problems hinder them from executing their accountabilities. Also, it becomes very difficult for the organization to understand the availability of required workforce with relevant skills and attitudes. Another key difficulty in recruiting the required staff members is nepotism followed by the top office bearers of the organizations. The management has to keep this fact in mind when it plans its HR practices.

The employment of a person in an organization leads the management to get morally committed to take care of the entire family of that employee. This is proved very much effective in a number of instances as the family ties motivate the employee more than the organisational hierarchy. Hence it is also needed for the organization to look into the background of the candidates’ families before making the recruitment and selection. However, some may argue that the performance of an employee depends only on the required competencies and attitudes of the candidates rather than the other procedures and backgrounds. For selection purposes a slightly broader approach needs to be taken, for a number of reasons (Gareth Roberts 1997, 6).

Selecting candidates for project based assignments is the most challenging recruitment and selection process for the NGOs in the research area. It is the difficulty encountered by the NGOs not only in Tamilnadu but also in other parts of the world. Hence, the recruitment of employees for a specific project should have well defined clear criteria. There are three different stages involved in recruiting project based employees to the NGOs. First, the
organization has to clearly define the job description and the required competencies for carrying out the specific project activities. For example, in an emergency situation the responsibility demands high level of commitment, working beyond normal hours of work and knowledge of the area in which the disaster occurred. Therefore, selection of candidates for such situations cannot be taken so lightly. On the contrary some candidates could be recruited for those tasks which may not require strong commitment and special competencies. Since selection is about matching people to roles, it is important that both sides of the equation are clearly specified (Gareth Roberts 1997, 5).

Second, it is important for the management to critically look into the type of the employee making a good fit to the vacant posts. In the Indian context the students and retired people can only offer voluntary services and therefore it is good to avoid recruiting them on a permanent basis. Instead, the organizations should look for qualified, skilled, experienced and committed people who can work as full timers for accomplishing the objectives of the organization.

Finally, the organization has to clearly define and inform the candidates of the period of the appointment. The advertisement should clearly specify the period for which the appointment is to be made and the nature of employment – fulltime / part time / contract. When the organization goes for selection it has to keep in mind the specifications made in the advertisements.
It is the custom of the NGOs in Tamilnadu to select required staff members from the existing pool of labour force for the new posts as there are well trained and experienced staff members to offer required services. But in the case of specific projects requiring special people with different technical skills and knowledge, the NGOs go for selecting people from other sources. It is also essential on the part of the organization to appreciate the staff members for their valued contribution to the organization.

Project managers / officers, finance persons, field workers and administrative assistants are the four different cadres to which the NGOs in Tamilnadu make the process of recruitment and selection. Generally, the administrative assistants and the finance persons are recruited amongst the relatives or friends of current employers. As mentioned earlier this is being carried out with a view to secure reliable and trustworthy people to the organisation. The management does not mainly look for highly qualified candidates for these positions but it trains them adequately in computer application, office administration, simple accounting, book keeping and record maintaining. In the case of project managers / officers and the field workers, the recruitment process is different and the educational background, competencies, experiences and the attitudes are given priority than the relationship ties for selection. However, the organizations do not fail to offer priority to the old staff members who have an excellent record of performance for the new posts. In Tamilnadu the vacancies of the NGOs are posted in the free job seeker websites and the
dailies. Sometimes the recruitment process takes a very long time as the organization has to make all required arrangements for the selection.

In brief the process of recruitment and selection mainly focuses on describing the roles and responsibilities and defining the essential competencies for executing them. Once it is clearly defined the organization has to look for people with the required competencies. As and when the recruitment and selection of the employees is over, the organization has to make concrete strategies for the management of the current workforce.

1.9. Performance Management

It is absolutely necessary for any firm to manage the performance of its employees for enhancing its productivity and further growth. This performance management is an essential part of Human Resource Management and therefore, the NGOs have to invest in it for achieving greater goals. Performance of the employees consists of two important aspects namely ability and motivation. In order to reach the heights of performance both these factors ought to be strongly present in the employees. As the individual performance builds on the team’s performance leading to organisational performance the NGOs have to focus more on stimulating the individuals towards making effective performance. Performance management is a critical and necessary for individual and organization effectiveness. Performance management is process needed for development to occur. Without assessment and feedback there is no basis for the individuals as well as the organization to focus their efforts to
improve (Robert L. Cardy & Brian Leonard, 2011). It indicates that the NGOs cannot grow or effectively implement their programmes unless and until they make constant efforts to enhance employee performance. Thus the concept of performance management becomes utmost importance for the NGOs.

Having completed the selection of the employees the management will have to invest in inducting them into the organization. This is the first stage of performance management. Unfortunately, induction has become the most neglected part of HR management in most NGOs. In the research area many NGOs are not even aware of such a procedure. NGOs have to systematically analyse the human power supply and the types of role stress that the employees experience and take series of steps to induct the selected employees into the organization. Vijay Padaki (2007) suggests the inclusion of a ‘personal growth’ programme, roles for existing staff as mentors, the big picture of organisational vision–mission–goals–strategy–values and the hard requirements of project management: the systems and procedures as the main features of a sound induction procedures. He also further insists upon the need for having the induction process spread over a year. Effective induction of the employee offers him/her an excellent opportunity to get started on the relational and professional skills. This enables the employees to perform better by executing the accountabilities as desired.

Another factor involved in performance management is appraisal of staff performance. The purpose of the performance appraisals is to know the
current performance level both positive and negative and plan for further improving the performance. The appraisal helps the management provide feedback to the employees, develop parameters for promotion and job assignment decisions and make decisions to discharge and retain the employees. It also assists the employees to improve their performance, develop commitment to the organisation with clear career planning, motivate through recognition of efforts, diagnose problems and identify training and development need with individuals (Briscoe & Schuler 2004, 355).

The overriding principle of Performance Management is that good performance management is equated with good management. It is about ensuring that managers manage effectively, that they communicate with staff and that they understand what is expected of them, have the capability to deliver it and are motivated to deliver to the highest possible standards (Michael Armstrong & Angela Baron 2005). Performance management includes setting clear performance goals, evaluating the outcomes and giving feedback to improve the future performance of an employee, team or the organisation in general. It aims to guide the employees to direct their behaviours towards the desired directions, motivate them to have clear objectives and provide opportunities to correct the deviant behaviours based on the feedback given. It has been widely argued that the most powerful means of performance management is goal-setting. However, the NGOs that envisage building a net of social relationships within and outside the organizations focus more on
managing people rather than the tasks. Performance management in this sense is viewed in another form of management by objectives. It is a comprehensive discipline that consists of strategies to address the entire motivational need structure of human resource such as physiological, security, social, self esteem and self actualization through appropriate interventions and drivers (Srinivas Rao Kandula 2006). Therefore, performance management does not deal only with the tasks but looks into the employees as whole.

Being critical or very much objective in giving the results of the evaluation is not very much accepted by the people in India. Hence, the Indians prefer a bit of softening feedback at first before getting the actual critic. Indians do not appreciate and welcome critical comments in any form. It is very important on the part of the organizations to take into account this fact before sharing their feedback with the concerned employees. But it does not mean that the organizations should avoid giving feedbacks to their employees. It is emphasised here that the organizations should give their feedbacks to the employees in a way as to enable the employees to take proactive initiatives for accepting the feedback and improving their performance. It is also important to provide an enabling situation wherein the employees understand that the feedback system is not for finding fault with them but to assist them improve their performance. The management has to clearly specify the positive achievements of the employees while pointing out the areas for further improvement. It is also good to highlight the specific assignments accomplished
by each of the employees during the assessment period. It should be ensured that the corrective measures are taken seriously by the concerned employees and put them in to practice. While giving the feedback the management has to always stay polite, calm and professional. The critic can be transformed into wish, advice or guide, which might improve the convenience of receiving the feedback. Closed systems work when feedback works and leads to correction, thus increasing flexibility and encouraging resiliency (Robert Jaffin 2012, 203).

Performance management is not systematically done in NGOs functioning in Tamilnadu. The goals are set to some extent and monthly review is conducted for the field staff to review the activities of the previous month and plan next month’s activities. In most cases the programme managers/officers and the finance persons are independently responsible for managing their performance but not mandated. Therefore, they are expected to manage their performance through self designed guidelines. It is also witnessed that there is lack of interest among the senior staff members in improving their performance.

Goal setting as part of the performance management clearly gives the direction for effective performance. Performance assessment will enable the employees and the management to know their strengths and weaknesses. This would further guide them improve their performance towards achieving excellence in it. Since Reward management is part and parcel of Performance management its different aspects are explained in detail in the following paragraphs.
1.10. Reward Management

Reward management is a process of analyzing and controlling remuneration and other benefits of the employees in an organization. It aims at creating and operating reward systems to be followed by the organizations/institutions. Reward systems cover the pay policy and practices, salary and payroll administration, total reward, minimum wage, executive pay and team reward. Reward Management is closely linked to the Performance Management as the rewards are given after the successful performance of the employees.

Rewarding should be based on the type of the job one holds and the performance of the employees. The changing scenario in demand and supply of the labour force are increasingly affecting adequately rewarding the employees. Rewarding is yet another management tool applied for supporting the success of organisation and motivating the workforce to act and behave as per the values and objectives of the organisation. Decisions regards rewarding are often made by the management but active participation of the employees in making such decisions is emphasised for effective reward management. It appears that the development of a reward strategy is largely an HR initiative, with the active involvement of the chief executive and other Directors (Angela Wright 2004). But in some cases even the executives do not make the decisions as regards the reward policy and practices. Hence, it is imperative for the NGOs to involve the employees in making the decisions on reward management.
In Tamilnadu the NGOs have to follow different systems in executing rewarding to the employees. The financial rewards can be fixed pay, performance related pay or indirect pay which constitute of benefits like free accommodation, conveyance and so on. A mix of all these three is not uncommon among the NGOs. However, base pay is to be set at a level consistent with the external labour market. The market value of jobs, and employees’ skills and their impact on the organisation’s strategy will take precedence over internal equity. Such a strategy, however, runs the risk of contravening the legislation on equal pay if, for example, women are systematically disadvantaged in that they have fewer opportunities to demonstrate good performance or achieve competence (Lewis, Philip 2001). Hence, the NGOs need to be equitable in rewarding their staff members.

There are two differing views with regard to the execution of the financial rewards in the NGOs. First suggests the NGOs not to follow competitive pay practice in order to retain and support the highly skilled staff as they cannot afford to pay high salaries to the executives on a long term basis. On the other hand, it is argued that NGOs need to pay competitive salaries if they want to attract and retain the qualified and experienced employees.

To avoid such competitive payments to the employees Lewis, Philip (2001) suggests the employer to recognise the non-financial rewards which play an important part in attracting, and more particularly retaining the employees. Nilesh Kumar (2009) lists the following non financial rewards:
recognition, responsibility, meaningful work, autonomy, opportunity to use and develop skills, career opportunities and work life balance. These non financial rewards will replace the financial ones as they enhance the values of the humanity, viz, self-respect, and social status and recognition. These are concerned as non- monetary rewards that are highly desirable. Efforts ought to be made by the organizations to enable the employees to understand the fact that money alone cannot increase their motivation but the non-financial rewards contribute for achieving greater heights. If the motivation of the employees is enhanced through such non financial means the organization can have longer-lasting and powerful effect on people (Armstrong 2010, 279). The extent to which an organisation combines financial and non-financial rewards in its reward strategy reflects a clear value position.

Therefore it is ideal to use total reward system combining both financial and non-financial or tangible and intangible rewards. While recognising the need for base pay and other benefits this approach values the competencies and committed work of the employees with rewarding experiences through providing opportunities for improving their knowledge, skills and other capacities. It is widely accepted that this is an effective way of rewarding as it embraces all aspects of reward management.

Although the total reward system is ideal it has to be contextualised and employee friendly. Employees’ participation and consent is needed for making the decision on the rewarding systems. Sometimes the employees may not like
to accept the offer of a common meal or tour or other forms of rewards in kind rather they would prefer money to all the above as it would help them meet important family expenditures. Some other employees may not like to have financial rewards rather they are satisfied with their motivational and inspirational rewarding system. In such cases, they feel the rewards offered to them is the recognition and satisfaction for doing good and committed work to the humankind. They also wish to enhance their skills and knowledge in the field of social development with the non financial rewards provided to them. These employees expect the management to recognise and appreciate their contributions to the organization. The development workers happen to work long hours and even on weekends and holidays and hence it is justified to reward them through non financial measures which will enhance their interest and involvement in the work.

The administrative assistants and the finance persons are paid for their work and they get motivated through interacting with the project staff teams. They have to be in contact with the employees of other departments and projects for executing their responsibilities and thus these contacts come handy for them to improve their commitment to the organization. Even though they consider their work only as a paid job, the interactions with the project team members who have a zeal for gaining more experience and learning help them get motivated. However, the staff members have a very strong feeling that their salary comparatively is very low and it could be increased by properly managing the administrative and other costs.
In addition to the overall compensation system, the employees expect other monetary benefits in terms of incentives for taking up additional responsibilities and staying away for long from the families. The management has to also consider in supporting the employees adequately for maintaining a minimum standard of living in the society.

1.11. Learning and Development

Learning and Development in the NGO sector is mainly meant for promoting and supporting the staff members, organizational growth, development and empowerment through innovative high-quality workplace programmes, resources and services. It is a process of acquiring and developing knowledge, skills, capabilities, behaviours and attitudes through experiences, events and programmes provided by the organization, guidance and accompaniment provided by the programme officers/managers and others and self directed or self managed learning activities. The primary concern of the organization is to ensure that it has knowledgeable, skilled and engaged workforce it needs.

Moreover, most of the NGOs in 21st century are facing significant changes in the organization’s functioning including rapid growth of the organizations, organizational restructuring, partnership building and technological changes. Although there is a general recognition for organizational learning among the NGOs the major challenge is that a good number of the NGOs lack clear understanding of what it is and how to ensure that it happens within their organizations. In the absence of clearly described ways of putting the theory of
organizational learning into manageable practice, NGO managers began to look for more practical answers to some of the basic problems they faced (Bruce Britton 2005). Development involves changes in human systems at individual, family, community and wider societal levels. The comprehensive and complex nature of development makes new demands on NGOs and those who work in them. There is a need to understand and work within complex systems, to be flexible, adaptable and innovative and genuinely committed to multiple lines of accountability. Therefore the learning and development plans of the NGOs should be done so meticulously as to respond to the new and often unpredictable challenges that face them in a complex aid environment.

1.12. Induction Process

The organizational learning begins right from the first entry of the employees into the organization. Immediately after the appointment, the employees begin to socialise with each other and start learning each one’s background and professional competencies. This initial socialization also helps them understand the organization, its objectives, culture and values.

As mentioned earlier the induction process will help them learn by experiencing the environment and closely following the colleagues. The organisations have to design an induction programme and implement carefully as it has to assist the employees in their journey towards learning the organization. These initial introductory courses should lead the members to own the organization. For the new employees, it is very important to learn the
organization and develop the required technical and managerial competencies as in the case of other existing staff members. In order to enhance the knowledge and skills of the employees, the organization has to organize periodical training/workshops in relevant subjects/topics. Technically, training should bring changes in the attitude, skills or knowledge of a person with the resultant improvement in the behaviour. The organizations should plan and prepare the training modules beforehand to make the training more effective and meaningful. While designing the training program it has to be kept in mind that both the individual goals and organizational goals are taken into account. The organizations have to prepare their training calendars at the beginning of the financial year based on the identified training needs of the employees.

Mostly the management of the NGOs select the members and subjects for undergoing training/workshops. It is suggested that the management could discuss the training needs with the concerned individual employee before finalising the training. In some organizations the individual employees have the freedom to choose when, where and on what he/she will undergo or need training. But this is not the practice seen in most of the NGOs. Hence, it is good for the organizations to let it with the HRM department and concerned employees for further reflection and decisions. This will enable the employees understand the learning gaps and plan their future learning process accordingly. This would enable the management to identify the real training needs of the
employees and kind of training the particular individual should undergo (Armstrong 2010, 235).

Finally, the employees should understand how to learn and from where or whom they can learn. They can provide multiple learning choices like organising in-house training and external courses. The employees should feel free to select the form of training depending on their background and conditions. It is good to motivate the employees to undertake courses organised with people from different cultures and background to learn more about the NGO operations in different socio economic and cultural settings. Also it will help the employees understand and accept different people and their cultures. Another important factor in the learning process is learning by doing. This type of learning would enhance the skills and attitudes of the employees. It also provides an opportunity to learn and update the technical skills of the employees. The organization has to make all efforts to maximise the learning by availing and accessing every bit of the learning opportunities. Even though the learning of the employees is often supported by the organisation they have to be encouraged with clear road maps for self learning on a regular basis. For enhancing self learning the individual staff members should be more open to formal and informal learning opportunities, clearly understand their roles in the organization, have good interpersonal communication skills, use different levels of thinking, ready to work in teams, humble enough to learn from others, build networks and working relationships and have the basic facilitation skills
(Bruce Britton 2005). The employees need to take proactive initiatives to explore all the possible ways for self learning. However, the management has to offer guidance and support in identifying the right people, locating the venue and investigating the related materials and information that would favour their self learning. In addition, the immediate superiors of the concerned employees should provide close accompaniment and harness their learning.

Self directed learning is mostly informal and it takes place in everybody’s life while performing their day today activities. In NGOs the employees gain new learning by doing their responsibilities. Formal learning is very much limited in such settings but the employees learn a lot informally through delivering their services as prescribed and listening to other experienced and knowledgeable employees. Self directed learning helps the employees have greater awareness of their responsibilities, make learning more meaningful, monitor their activities by themselves, become curious and try to be innovative, view problems as challenges, desire change and enjoy learning. They become more focused and determine their learning and the ways of putting them into practice. However, the employees may not have a systematic way of learning and sometimes they might follow some bad precedence of the seniors and others (Armstrong 2010, 226-227).

The NGOs cannot just ignore the importance of the HRM component, Learning and Development as it makes every organization a learning and growing organization. It ensures organizational effectiveness, enhances organization’s
capacities, helps the organization utilize its limited resources optimally, and strengthens partnerships with other organizations and above all it makes learning a culture of the organization. Also, it strengthens the employee relations for ensuring collective efforts in accomplishing the organization goals.

1.13. Employee Relations

Employee relations are considered important for gaining peoples’ commitment to achieve the organization’s goals and objectives. The term “employee relations” has been used interchangeably with labour relations and Industrial Relations but actually they have a slightly different meaning. For the purpose of the thesis the researcher considers the employee relations as the variety of initiatives undertaken by the management for improving the workplace communication, engaging employees and securing employee compliance with the established rules and regulations.

In an organization the employers and the employees have different interests to be achieved. They try to accommodate each other’s respective interests by making agreements, rules and regulations through the use of various employee relations processes. The content of agreements, rules and regulations and the employee relations processes used to secure them reflect the relative balance of bargaining power between employers and employees (John Gennard & Geoffrey Hayward 2005, 3). This balance is heavily influenced by the changes in the corporate environment in which an organization undertakes its employee relations. It demands a great deal of employee participation in the
decision making process as to ensure effective performance of the employees. Thus, the employees have to be respected and treated as partners in the development of the organization. The organization has to have in place an open and transparent communication channel for free flow of information to all the employees at all levels. This is very important for the management to providing an enabling environment for maintaining good relationship with staff and ensuring their effective performance (Armstrong 2010, 294).

The term employee involvement covers a range of processes designed to enable employees to voice their views to employers and so have an involvement in the development of the organization. These include employer communication practices and policies, quality circles, team briefing, financial involvement and representative participation (John Gennard & Geoffrey Hayward 2005, 5). It means the employees have to participate in the decision-making bodies. The employee participation in the overall management of the organization and programmes will increase their commitment thereby improving individual as well as organisational performance. It also motivates the employees to behave responsibly and handle the assets and goods of the organization carefully.

Employee relations establish the human factor as the highest priority in any organization. The employees are encouraged to participate in a cooperative and collaborative team environment where status and power symbols are minimised (Laurie Dicker 2003, 12). Therefore, organisational communication channel both upward and downward has to be more effective for enabling
peoples’ participation in the official dealings of the organization. Above all, the management has to ensure receipt of correct and intended information by the employees about the managerial decisions. The management has to have clear mechanism to listen to and deal with the grievances of the employees. The experience in the NGOs is that hierarchy and power plays havoc in enabling easy and legible communication particularly in the downward communication. Sometimes the very form of communications does not give the exact information intended to reach every employee of the organization.

As mentioned earlier rules and regulations are also part of the employee relations which are strictly adhered to for reinforcing positive attitudes and behaviours among the employees. These rules established for the purpose of limiting the deviant behaviours and actions of the workforce. The employee relations also have the component of legal interventions. This is where the state intervenes in the private relationship between employers and employees to set the minimum employment standards that employers must provide for their employees (John Gennard & Geoffrey Hayward 2005, 5). Therefore, the NGOs in Tamilnadu should understand that in India the legal interventions come from two sources namely Indian and Tamilnadu governments. All the NGOs have to strictly follow the legal aspects as regards the employee relations failing which either of the government machinery will enforce legal actions against the faulting organizations.
1.14. Conceptualization

Human Resource Planning, which deals with the process of identifying the human resource needs of the NGOs as well as the designing of a plan to satisfy those requirements, is the first and foremost dimension to be considered for in-depth analysis. It basically looks into the required workforce and the specific quality of staff members needed for the organization in order to accomplish its defined goals and objectives. Staff recruitment and selection is another HR function that analysis the process of identifying and engaging people required by an organisation and then selecting the most appropriate candidates for employment. Regardless of the work that volunteers do in an organization, it is important to specify what skills and experience are required. Skills and work experience should become the criteria for selecting the required staff members. It does not add value to the organization to recruit the staff members who require a great deal of training.

Having recruited the suitable employees, the organization has to be involved in managing the existing workforce. Hence, managing the performance of the staff becomes the next important subject for further analysis. This part of HRD will focus more on identifying and applying the right and relevant strategies to improve the overall performance of the individual staff members as well as the team. It is also very important for the organization to define the performance expectations and the impacts of high or
low performance. The next dimension to be analysed is Reward Management which is very closely related to the Performance Management. Rewards whether it is financial or non-financial should aim to attract, retain and engage the workforce to the organisation. This means due recognition and rewarding strategies and policies will improve employee performance and motivation (People in Aid 2007).

The process of Learning and Development in the organisation is also analysed here in this research in order to identify the measures taken by the organizations to improve the knowledge, skills, behaviour etc. of the employees. Another aspect required to be critically studied is the employee’s own individual efforts to learn and enhance his/her performance. In addition, the study will analyze the relationship between the management and employees and among employees. It also includes organizational culture and practices that bridge the gap between the members in an organization. Finally, the reputation and popularity of the organization is analysed so as to learn the impact of the organization on the public and the people. The credibility of the organization in terms of transparency, accountability and social responsibility will determine the recognition and reputation of any organization.
DIAGRAM 1: DIFFERENT DIMENSIONS OF HRM

- Organs. Culture
- Code of Conduct
- Governance Structure
- Leadership
- Finance Policies
- HR Policies
- Recruitment
- Training & Development
- Performance Appraisal
- Compensation
- Reputation
- Vision and Mission

OVERALL HRM PRACTICES
The researcher in his study aims to investigate the twelve dimensions and the overall dimensions related to Human Resource Management systems and practices. The perception of the respondents on individual as well as the overall dimensions of these HR components is studied to learn the current scenario of NGOs in managing their HR personnel.

1.15. Chapterization

Chapter One: Introduction

The chapter furnishes details of origin, types, focus, significance and key roles of NGOs in Tamilnadu. It also discusses elaborately the major functions of HRM and conceptualization.

Chapter Two: Methodology

It deals with the process of executing the research study. The methodology outlines sampling method and procedures, tools employed in data collection, study design, pre-tests conducted, validity of the study tool and the process involved in each step.

Chapter Three: Review of Literature

References are made to validate different concepts and theories related to the subject of the study. It mainly analyses the major functions of HRM, viz, planning, recruitment and selection, training and development, performance and reward management, learning and development, employee relations and so on.
Chapter Four: Analysis and Interpretation

This chapter deals with data analysis and interpretation. The responses are critically reviewed and the implications are discussed based on the data. Tables and diagrams are made to explain it more systematically to gain greater and easy understanding.

Chapter Five: Findings and Suggestions

The results of the study are published as statements and concepts. The experiences and learning are given as findings. Based on the data analysis and review of literature and the responses of the primary sources of data, the researcher gives his suggestions for resolving some of the issues addressed by the study.

Thus in the above chapter I, the researcher has explained the background of the study, significance of NGOs, the major functions of HRM and various dimensions of human resource practices in NGOs. It would really help the readers to understand clearly the HRM systems and practices of NGOs in Tamilnadu. In the next chapter, the researcher presents various collections of previous research studies in the field of HRM in NGOs for the purpose of present research study and for the benefit of NGOs and social work professionals.