CHAPTER IV

FUNCTIONS OF PERSONNEL DEPARTMENT

"Since the fifties of the twentieth century, the handling of unionised personnel has acquired a special significance. The interactions of the unionised workers and their representatives due to the strengthening of the trade union movement have forced the management of many organisations to modify many of their methods of managing the people in the traditional way. The unionised employees.............. through the process of collective bargaining and memorandum of settlement. The interpretations arising out of the provisions of these agreements considerably influence the day-to-day employer-employee relationships including the handling of grievances. There is a plethora of labour legislation protecting the interests of the workers and designed with a view to promote industrial peace and harmony required for the productive efforts of the industry."¹

There is an inherent conflict between the individual efforts and the organisational efforts. "A business organisation is composed of a large number of individual employees. They interact with one another which makes the inter-personnel relationship a complex one. The Hawthorner experiments and recent researches have established that an individual is not merely a physical and an economic organism. His personality embraces social, spiritual and psychological factors. There are the contradictory aspects of human beings working in an organised society. The management in making the effective utilisation of personnel must be considerate of

¹. Personnel Administration in India by Ghosh, P. Chapter 4, pp. 77-78.
the multiplicity of interpersonal relationships and apparently the two contradictory aspects of the employee behaviour in business organisation as mentioned above. The success of the management in the performance of its functions in respect of its personnel will depend on as to how successfully it moulds the human resources to accomplish the organisational objectives.  

A personnel depart is essentially a staff department and like other staff departments, it provides advice and service to all levels of managements how best they can utilise the services of the personnel working under them. To achieve basic objective of an industry or an organisation, it requires fuller utilisation of available material resources which also depends on human efforts. Effective utilisation of human resources on the other hand depend on how best the right type of people with right type of qualification are recruited, trained and placed in proper job and pay them their wages to maintain a fair standard of living. Moreover, the management should ensure job security, advancement in career and old age benefits like pensions and provident fund etc.

In the above context the basic functions of a personnel depart- ment or personnel office may be classified as under:


2. Personnel Administration in India by Ghosh, P.
   Chapter 4, p.80.
In discussing the functions of a Personnel Department, it is necessary first to consider the duties and responsibilities of Personnel Officers/Welfare Officers which can be grouped as under:

1. To supervise that the provisions of the industrial legislations affecting the workers have been implemented in full.
2. To establish contact and hold consultation with the management and workers to maintain harmonious relations.
3. To watch industrial relations and use influence to bring about a settlement in the event of a dispute.
4. To deal with wage and salary Administration and employment by joint consultation with management and workers representatives.
5. To encourage the formation of works and joint production committees, Co-operative Societies, Welfare Committees.
6. To encourage provision of amenities such as Canteens, lunch room, creches, adequate latrine facilities, drinking water, pension and superannuation funds, legal advice to workers and supervising them.
7. To secure welfare provisions of housing, medical, foodstuff, social and recreational facilities, sanitation, advice on individual problems and educational facilities for children of workers.
8. To advise management for providing training of new recruits, apprentices, promotion, transfers, further education of workers.
9. To suggest measures to raise the standard of living of workers and their wellbeing.
The range of personnel functions has been undergoing spectacular changes together with the conceptual evolution of this branch of business management. There was a time when the Personnel Department was no better than an employment agency. Providing employment of people to a given job was the beginning as well as the end of personnel functions at that time. But the advent of trade unions compelled the employers to widen the range of the personnel functions. From then, the transformation was more of quantity than of quality. Besides, the employers' attitude was to a great extent negative, so far this aspect of management is concerned. But together with the realization of the role of healthy motivation of the work-force, and its resultant effect on productivity, a distinct quantitative change was witnessed in the personnel functions pattern. The employers gradually began to take it more as a positive effort taken of their own to enhance the profitability of their concerns. The ultimate unity of the employees and employers began to be realized, and this gave quite a new shape to the personnel management functions till it has now grown to be an equally important, if not the most important branches of the modern business administration.

There is not a standard pattern of functions rendered by the Personnel Department of a business house. The functions vary from business to business, from institution to institution and from place to place depending on the size and complexities of organization, composition of labour force, available managerial resources and local conditions. The personnel functions and for that matter any other category of managerial functions, is broadly decided by the primary policy of the company as
laid down by the Board. So, before examining the personnel functions, it will be relevant to discuss about the personnel policy.

**Personnel Policy:**

Personnel Policy depends on factors like type of workers engaged, the nature of the company's product, the cost-price relation of the product; competitiveness of the product; union’s bargaining strength; statutory provisions; State policy as well as the culture of the company itself towards its employees.

“A policy is a predetermined and accepted course of thoughts and action that is defined and established as a guide toward accepted goals and objectives. Individuals have their personal policies which they have developed to keep them on the track toward their personal objectives. Organizations have managerial policies for the same reason. Some of the most important organizational policies outline selected intentions with respect to the management of people. They provide the guidelines for employment relations in the organization, just as purchasing policy may require competitive bids or selling policy may seek to maintain a list price.”

A business house can hardly aspire to achieve its goals without a healthy motivated workforce, no matter how favourably the house may be placed otherwise. Hence, in the field of personnel policies, it is important to integrate management objectives with regard to utilization of manpower.

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Personnel policies are formulated in regard to basic needs like forecasting of manpower needs for current as well as future requirements due to expansion, diversification, deaths, quits, change of technology, change of methods of production, recruitment, placement, training and development of employees, interview, selection, source of recruitment, wages and salary administration, maintenance of employee records, job evaluation, promotion, transfer, disciplinary procedure, grievance procedure, employee benefits and services, welfare facilities, collective bargaining- negotiations with unions, implementation of provisions of Government Legislations and industrial relations matter, etc.

The type of workers engaged and need of their basic educational background are dependent on nature of work to be performed like office works or technical work, managerial or supervisory work and nature of company’s product. If the company manufactures as well as sales its products, it will require both technical and non-technical workers and managerial and supervisory staff where as if the company engages in selling products only, it will require only non-technical employees. Similarly number of workers required will be in proportion to competitiveness as well as the cost-price relation of products.

Union bargaining strength also shapes formulating company’s policy on recruitment, promotion, transfer, wages and salary administration, employees benefits and services, grievance procedure for settlement of disputes, nature of collective bargaining and administering of welfare facilities.
The statutory provisions and state policy play a vital role in formulating a company's personnel policies in regard to recruitment of employees, source of recruitment, settlement of employees' grievances, wages and salary administration etc.

However, while formulating personnel policies, no definite statutory guidelines or specific and rigid standards are required to be adhered to, but care should be taken that policies formulated are in conformity to suit local conditions, statutory provisions and within the purview of state policy so that there should not be any room for doubts of the employees.

Since there is no specific standard is to be rigidly followed, personnel policies differ from industry to industry, place to place, organisation to organisation and therefore formulation of personnel policies are based on factors already referred to.

The personnel policies of majority of the big organisations and industries are in written form known as "Employee Manual" or "Employee Hand Book" or known by other names but in small and medium sized industries and organisations are not in written form but principles followed are hereditary.

The personnel policies are framed by the chief executive of an organisation/industry and approved by Boards for implementation. The policies so framed should be communicated throughout the length and breadth of the organisation for information of each and every employee so that they know where they stand in the organisation, what is their strength in terms of ability for further advancement in career, what development efforts
they should exercise for their future betterment. Unless they come to know all these, they will naturally lack interest in work, the result, organizational goal will be defeated.

The basic principles underlying policy design are that employers' and employees' interest should be recognised and afford scope to employees for a better standard of living, better security, opportunity for living a fuller and better life, opportunities for growth within the organisation, employee participation in decision making on the shop-floor, at departmental level, encourage employees to participate in sharing and solving problems, recognition of work and accomplishment etc. In short, policies should be in all fairness, flexible to adjust to situation and for beneficial to both employers and employees.

Personnel policies in a broader perspective should be as under:

1. Treat each employee as an important person in the organisation.
2. Provide the best wages and working conditions and grant benefits in consistence with current business practice and earnings.
3. Deal with each employee fairly and with respect for his/her human dignity.
4. Provide safe and pleasant work environment.
5. Develop employees in accordance with their natural capacities and build a trained and an efficient team.
6. Afford opportunities for advancement.
7. Avoid discrimination, favouritism and nepotism.
8. Give prompt and thoughtful attention to grievances.
9. Encourage employees suggestions.
At the beginning of this chapter the salient features of functions of personnel department or office were referred to which are now discussed in brief.

**Manpower Planning:**

Planning is necessary at every stage of human activities, as in business and industry. Unplanned activities lead to chaos, failures and utter dismay. The funds at the disposal of business and industry are always scarce; borrowing is a costly process. The aim of business or industrial activities is to achieve the goal of profit and plough back profit for growth and expansion, hence planning i.e. looking ahead at every stage of activity is highly essential. It should be remembered that investment of each single rupee should be of worth spending in terms of profit. Therefore, the need for human resources should also be planned in accordance with workload, expansion, diversification programmes, death, quits, transfers, promotions, discharge etc. The basic object behind of manpower planning is to have required number of employees with the right skill, at the right time and place. This process will help avoid haphazard recruitment at the time of need and over-supply as well as shortages.

"Labour cost usually account for between one fourths and two-fifths of production cost and an important component of the selling cost. Control of labour cost is therefore increasing the competitive ability and profitability of business enterprise. Management can ensure control of labour cost by avoiding both shortages and surplus of manpower through proper manpower planning."^4

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In a developing country like India where there is an abundance of manpower (there is shortage of skilled and trained workforce and managerial talents), union's bargaining capacities have been strengthened through political motivation; manpower planning assumes a more important role as the pace of economic development must be at a faster rate than the countries which are already economically well-developed. Therefore, managers' responsibility is to review consistently requirements of different categories of manpower periodically such as unskilled, semi-skilled, apprentices, clerical and steno-grapher, technical, supervising, management trainee; also the nature of employment such as temporary, permanent and casual.

**Employment**

The next step of manpower planning is the requisition of new employees. Where the organisation is of large size and having various departments, requisition is placed by such departments requiring additional hands to the personnel department for recruitment who arranges interviewing, selection, training and placement on the basis of departmental requisition slip where details in regard to types of workers needed, qualifications - general and technical, work experience, nature of employment i.e. temporary, permanent, casual, age, sex and such other particulars as may be mentioned. While initiating recruitment process, the personnel department should keep in view the company's laid down personnel policies.

Now the basic functions of a personnel department or office are briefly discussed hereunder:
Process of Recruitment:

The normal practice in India, in majority of the large and medium industrial enterprises, recruit employees from outside sources, by promotion from within, by transferring from other locations. The personnel department, on receipt of approved requisition, initiates screening, select suitable candidates and place at the disposal of requisiting department who are trained either in formal training course or given on-the-job training. As per the provisions of Employment Exchange (compulsory Notification of vacancies) Act, 1959, all vacancies carrying total monthly emoluments of Rs.200/- or more, vacancies are notified to the Employment Exchange and candidates forwarded by Employment Exchanges are also screened, interviewed for selection, along with candidates available from direct applications, also available from within. While there is no obligation on the part of the employers to recruit candidates sponsored by the Employment Exchange, it is an important source of locating suitable candidates.

Majority of industrial undertakings including Government Corporations have established a promotion policy from within and emphasis has been made on seniority. Only vacancies at the bottom layer of the organization are filled up from outside sources. In such cases, the personnel department explore the possibility of filling up the vacancies by promotion from within and where required categories of workers with abilities are not available, go to outside sources of recruitment such as personnel applications, candidates calling at the gates, nomination by present employees, advertisement, Employment Exchange, scouting in schools and colleges.
Promotion Policy:

The policy of promotion from within deserves consideration. Every employee in an organization expects advancement in career. Therefore, promotion from within is an incentive for better performance and those who are deserving should be given opportunity for advancement. But, the strict adherence to basis of seniority alone makes administration weak in the sense that all the senior promotable employees may not be equally efficient; the really efficient junior people become frustrated and the ultimate result is loss of efficiency and productivity.

It should be carefully noted that an employee though otherwise qualified constantly cause troubles and violates company's rules should not be considered for promotion.

In evaluating ability, employees' skill, knowledge, output, experience, education and training, physical fitness, aptitudes for higher responsibility should also be considered. In view of training cost, employee considered for promotion should be promoted quite an early age (depending on vacancies); chronic absentees should hardly be considered for promotion though found suitable. For these, detail employee records by the personnel department or office should be updated to be available at short notice. Further, personnel department should maintain detail records of departmental line of promotion and advise each department to carefully observe the promotable employees and suggest ways to make them fit to take higher responsibilities when promoted.
Training and Development:

A candidate when offered employment for the first time in an organization and places at the disposal of the department for which he is hired, should be given formal orientation either by members of Management or through supervisors to be acquainted with the history and growth of the organizations, working conditions, responsibilities, rules and regulations, job routines, benefits and services etc. It is the responsibility of the personnel department to see that the new recruits get all facilities to know of things from the department for which he is hired. All reasonable efforts should also be made to the new recruit to enable to adjust to the new environment in the organization he has just joined.

Training and retraining of employees at all levels of an organization and industry are necessary to meet the requirements of modern technology. Individual must be given scope for development. Training helps employees gaining self confidence, acquiring skill, securing and identification with the organization, reduce accidents and wastes, improve productivity. Systematic training both formal and informal are necessary for new and existing employees.

Training needs of employees in a country like India need no emphasis as majority of job seekers are devoid of formal training opportunities, as a result, there is dearth of trained and skilled people in all stages of employment. In vast developing industrial sectors of our economy need more and more skilled experts but facilities are limited in the country for training. So new recruits need be trained within the organization, on-the-job and in outside agencies. From discussion later
In this chapter, it will be noticed that more emphasis has been put for training and development of managerial cadre people in industries and organisations in our country but very little has been done for clerical and supervisory staff. A very limited industry or organisation has made efforts to train workers where they have their workers' training programmes. The reason is that the workers are not considered as assets for vital growth, but it should be clearly remembered that unless workers are moulded through training and development programmes, no organisation can expect to achieve desired results. In majority of the organisation, workers are left to jobs even without formal reorientation, as a result of which, workers lack interest and become reluctant to put forth their best for over all growth of the organisation where they belonged to.

The need for training programmes for supervisory personnel can hardly be over emphasised as they are spokesmen of management. With the increase in level of education of workers, enlightened Trade Unions, the job of supervisors have become challenging as they remain directly associated with the former. Therefore, managements should arrange training for their supervisors to improve their skills in human relations, communications and other functions of managements.

The Management Development:

"The true test of leadership is not how much profit you have made, how being you made the company, how you went through the mill to reach exalted position but how many men and managers you developed."5

Demand for managerial personnel in India has grown and are growing since fifties onwards as a result of growth and expansion of industries under plans. Prior to India's independence, majority of the key management positions in business organisations were controlled by foreigners. Few Indians who were employed in the executive positions were from higher strata of society who had their education and training abroad. Therefore, the business houses were not conducive to the development of professional managers. In order to meet the growing needs, the industries and business organisations in India started recruiting directly a large number of talented young men and women and trained them to fill in positions of responsibility in the management cadre. To-day, it is a common practice in many of the industrial concerns and business houses to recruit fresh graduates possessing good personality, intelligence with demonstrated abilities as leaders in sports, debates and extra curricular activities, as management/executive trainees. Normally, they are required to undergo in-company training for a period of 2 to 5 years in the various field of company activities before they are finally offered employment. Among the companies which have regular management development training programmes are Burmah-shell, Esso, saltex, Hindustan Lever, ICI, ITC (formerly known as The Imperial Tobacco Company), Metal Box, Tata Industries, Tata Iron and Steel, DCM group of Industries, Sahu Jain, Fertiliser Corporation of India. The realisation for management development programmes is a wellcome step in a country like India where there is dearth of managerial talents because of limited scope in the field.
Managers are the leaders of business and industry on whose able guidance and leadership, success depend. Due to rapid progress of technological innovation, change of methods of production and distribution, stiff competition, the existing managerial resources become obsolete and they require training and retraining to update their knowledge and skill for better leadership. In today's context of vast expanding industrial activities, coupled with numerous problems in the managerial jobs, the following qualities are considered essential for a successful manager leader:

1. Creative mind: To inspire, motivate and direct workers.
2. Balance approach: Highly professional, kindly approach in human relations.
3. Ever a student: Should have a passion for learning always, welcome criticism where it is constructive, conducive to correction and self improvement.
4. Ambition and drive: Should be ambitious, possess self confidence.
5. Self control: Ability to take defeat sportingl and a cool head during crises.
6. Good communicator: Who is good at managing must be good at communicating.

In the field of training and development of both managerial and rank and file employees, personnel department can guide the organization regarding development needs and arranging programmes accordingly.

The responsibility of a personnel department rests with the personnel manager or the personnel officers depending on the size of an
enterprise who is assisted by junior officers and staff in implementing the company's personnel policies.

Within the policy framed, the personnel officers should supervise the activities of medical facilities, housing, promotion of recreational activities, educational activities, health and safety measures, implementation of the provisions of labour legislations, wages and salary administration, negotiations with unions, administering grievance procedure and joint consultation.

In India, Labour Welfare plays an important role in the field of employee relations. Labour Welfare aims to provide such amenities and services as would help in creating a work environment to improve productivity. The duties as prescribed under rule of the Factories Act 1948 and subsequent amendments made thereunder and rules framed by different state Governments prescribe duties of officers engaged by industrial undertakings.

Wages and Salary Administration is one of the most important job of a personnel department. The success of many industrial enterprises depend on its sound wage policies and fixation of wages and salaries on the basis of collective bargaining. Many of the strikes and lock-outs, labour unrests take place for failure to arrive at settlement on fixation of wages and salaries.

The public, the labour union and the management have perhaps the identical views that wages and salaries should be adequate in terms of needs. In other words, all the points are convinced about the necessity of need-based wages. A basis minimum wage is required not only to meet the material needs of the employee but also to keep his moral adequately
high for efficient production. Now-a-days, almost every business house has its own policies regarding fixing incentive wage rates, adjust the same to the variation in cost of living index and providing bonus. Apart from the regular periodic labour remunerations, modern business firms have schemes of fringe benefits. The whole range of labour remuneration has become competitive and complicated necessitating the existence of a separate administrative department to look after the proper implementation of the firms policy and thereby help motivating the employees in the right direction. Further, the various legislative provisions safeguarding the interest of employees have provided heavy penal offences against the employers and the persons responsible for disbursing wages, have complicated the whole issue of wages and salary administration, hence elaborate system of record keeping, compliance of legislative provisions have compelled many of the employers to create a separate administrative wing for the purpose. But the maintenance of a separate administrative wing may not be possible for small and medium sized industries but they should also develop and direct programmes of compensation policy to safeguard the interest of employees.

The term wages has been defined in one or the other form in the Factories Act, The Minimum Wages Act, The Payment of Wages Act, The Payment of Bonus Act, The Employees State Insurance Act and the Workmen's Compensation Act. The basic idea of all these acts is that workers should get remuneration capable of being expressed in terms of money in respect of his/her employment or of work done in such employment either by hourly, by day or by months basis. Under the provisions of the Act, the workers get wages while the managers or members of supervisory staff receive salaries.
The following payments usually constitute 'Wage' under the statute already referred to:

1. Basic wage
2. Dearness allowance
3. Dearness allowance linked with cost of living index
4. House rent allowance
5. City compensatory allowance/local allowance.

Wages are commonly considered as the price of labour paid to the workers for services rendered - whereas salaries as compensation for working, are paid uniformly either on monthly or annual basis wherein the output of work cannot be measured in terms of output. The managers, members of the management, supervisory staff, higher technical staff and clerical employees who are paid on a long term basis than wages, without any reference to fluctuations in employment, receive salaries.

"The administrative problems connected with the wage and salary administration centre round the monetary compensation that is paid to the labour as well as to those who render professional or semi-professional services. Technically, wages are referred to as the payment made to the labour for the services rendered whereas the salaries are regarded as the price paid for the professional services given by the managers, supervisors, white collared workers and the public officials. In effect, however, the employers in a free society must pay a price for the services rendered by their employees and the compensation for such services is regarded as "Wage" or "Salary".6

Whatever the form of payments either wage or salary, money which is paid as compensations should enable a worker and his family to live a better and fuller life and satisfy various needs.

It was mentioned in chapter I that our aim is not to discuss the various aspects of personnel management in detail, since at present standard text books and literatures are available, therefore, herein also we donot intend to discuss the various Acts, however, it is considered to be of relevance to discuss the Minimum Wages Act of 1948, because workers in all industrial and business enterprises are supposed to get atleast a minimum wage. What is minimum wage then? "The minimum rate of wages may be an all inclusive rate and should be paid in cash except under special circumstances when the same may be paid either wholly or partially in kind."7

The term wages has been defined in Minimum Wages Act, 1948 as below:

"As per Section 2(h) of the Minimum Wages Act, 1948, "Wages" means all remuneration capable of being expressed in terms of money, which would, if the terms of the contract of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment (and includes house rent allowance), but does not include-

(i) The value of-

(a) any house accommodation, supply of light, water medical assistance or

(b) any other amenity or any service excluded by general or special order of the appropriate Government;

(ii) any contribution paid by the employer to any pension Fund or Provident Fund or under any scheme of social insurance;

(iii) any travelling allowance or the value of any travelling concession;

(iv) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment or

(v) any gratuity payable on discharge.

Minimum Wages may be fixed by any one or more of the following wage periods, namely:

(i) by the hour (ii) by the day (iii) by the month (iv) by such other larger wage period as may be prescribed.  8

Whatever the payments to the workers constitute "Wage" under any statutory provisions is immaterial in view of the fact that the administration of all types of payments come under the purview of wage and salary administration which is the responsibility of personnel department in an industrial undertaking. Such responsibility of personnel department is to recommend and establish policies in these matters to the top management and to develop practices and programmes for implementing the policies throughout the organization, within the limits prescribed by the laws of the land.

The fixation of wage rates and other related benefits vary from industry to industry and from place to place depending on factors.

like state legislations, local conditions, education of workers and the bargaining strength of unions. However, an effective wage and salary administration should recognize the need of a direct tie up between performance and wage and salary rates. Although wages payments by time rates, and piece rates, wage and commission are in vogue in many of the industrial undertakings, and these have their individual merits but now-a-days wages and salary payments are made in almost in all industrial undertakings in our country have no relevance to performance. The result is that productivity is low and cost of production is high.

In fact, the most common system of wage payments in our country to-day is the time rates. The scales of pay indicates series of rates that are established in an organization for different categories of personnel. The fixed scales of pay indicate the minimum and the maximum of basic wage and the annual increments within the scale besides dearness allowance applicable on salary slab either on the basis of the result of collective bargaining, arbitration award or adjudication. The normal procedure is that the scales are fixed for the duration of the award or Agreement.

The wage policy should be as such that:

(a) A fair and reasonable wage should be an amount sufficient to meet the normal needs of employees and adequate to maintain their family and reasonable comfort as human being living in a civilised community.

(b) In fixing wage structure, regard must be paid:

(i) to the background of the general economic condition of the country;
(ii) The prevailing wage structure in comparable trade and industry of the region;

(iii) The place of the business or industry in the country and its future prospects and the productivity of labour.

While fixing wages by collective bargaining, the responsibility of the unions should be to see the paying capacity of the industry and should not unduly try to stick to their bargaining strength. Similarly, it is expected of the management also not to concede to unions' demands beyond their paying capacity jeopardizing their economic strength.

The Wages and Salaries should be fair and should be similar in comparison to the same job of the same establishment. The paying higher wages is justified by increased production and productivity only. The general accepted principle of fixing wages and salary is surveying the Wage and Salary structure prevailing in comparable industry or organization in the region where the business/industry is located. The widely accepted practice is to fix different scale of wage rates for different classes of employees - unskilled, semi-skilled, skilled, clerical and supervisory workers.

The mechanics of Wage fixation in our country seems to be peculiar. The trade unions are mostly interested to protect the interests of the workers by negotiating with the employers on wages, hours of work and other welfare facilities. Further, they insist upon having a bigger wage packets for their members without concerning the paying capacity of the employers. On the other hand, many of the industrial undertakings private
and public pay higher wages either due to unions’ pressures and bargaining strength or they are capable of paying. But the payment of high wages have resulted in wage inequalities and inflation in the country and to remedy the situation, a national wage policy should be evolved. Here the specialists of personnel functions can play a vital role by fixing reasonable wage structure and should not concede to the pressure tactics of unions.

Wage inequality even in the same industry or organisation are noticeable in our country and varies for different categories of workers where performance standard may be the same. The common complaints of the workers are that this gross inequalities have arisen because of the unsympathetic attitude of the trade union leaders emerged from the educated elites of white-collared wage earners who always claim their status above the blue-collared workers majority of whom are illiterate. The society of the day has therefore placed heavier responsibility on the personnel people bringing down the wage disparities in a country like ours where the Governments declared policy is the socialistic pattern of society.

Job description, job analysis and job evaluation help fixing wages and salaries and reduce wage inequalities and help creating confidence amongst employees. The introduction of the above procedures are looked upon by unions suspiciously but once introduced will eliminate the unions doubts and fears. Moreover, once introduced will go a long way to eliminate disputes over wage and salary as it will be evident from the discussion made of Oil India Limited and Assam Oil Company in chapter VI and VII respectively.
Brief discussion on job description, job analysis and job evaluation seems to be essential here to focus on the need and resultant benefits of introduction of the systems.

Job description is a systematic record of any particular job carried out by an individual employee. A job description is extremely helpful for interviewing new employees or for transfer and promotion of an existing employee from one position to another. Also, it helps in fixing labour grades and remuneration, chalk out training programmes, settlement of workers' grievances, improvement of working conditions, setting production targets, standards, improvement of employee productivity through work satisfaction and improvement of methods of work. A typical job description as shown below will be of added importance.

**Description of work:**

1. Name, title and location of occupation or position.
2. Short statement of duties, functions performed by the employee, his responsibility in carrying out the job.
3. Condition and atmosphere under which work is to be performed:
   (a) In office, factory, inside and outside.
   (b) Posture: standing, sitting, walking, climbing
   (c) Time: Day, night, hours of work, shifts, overtime
   (d) Speed: Slow, quick, moderate
   (e) Health Hazards.
Qualities needed of the worker in relation to job:

1. Sex: Male/Female.
2. Age: Maximum/Minimum.
4. Education: General, Professional and Technical.
5. Experience: Duration of employment and jobs held.
7. Personality: leadership, initiative, co-operation.
8. Ability in developing group awareness for work.
10. Mental alertness: grasping power in understanding job and ability to foresee future development.
11. Interest.
12. Emotional ability.
13. Mechanical aptitudes and trade skill.


The above job description may be of help not only for office job but also any type of work in any other organisation. Further, job information provided by job analysis are useful as mentioned below:

1. Helps in organisational planning.
2. Recruitment, selection and placement, transfer and promotion.
3. Chalk out training programmes.
4. Wage and salary administration.
5. Settlement of workers grievances.
6. Improvement of working conditions.
7. Setting production targets and standards.
8. Improvement of employee productivity through work satisfaction and improvement of methods of work.

Job evaluation:

"Job evaluation may be defined simply as an attempt to determine and compare the demands which the normal performance of particular jobs makes on normal workers without taking account of the individual abilities or efforts may, of course, also be taken into account and reflected in the workers' earnings, for example under a system of payment by results or of merit rating but this is something entirely different from the rating of the job. Job evaluation rates the job not the man......"

Job evaluation may be widely used for determination of wage rate structure and in the elimination of wage inequalities. It is always applied to jobs rather than the qualities of individual in the job. All job evaluation system are based on job analysis and job descriptions. The job description provided information on which each job is rated or evaluated; then resulting measures of value are translated into wage and salary rates.

The methods of job evaluation:

The four principal systems of job evaluation are listed below in order of their complexities:

1. Ranking method

2. The grade or classification method

3. The factor comparison method

4. The point rating method

Of the above, the point rating method is most widely applied.

**Ranking method:**

Ranking systems of job evaluation are generally used in smaller units where all jobs are well known to the job rater. It entails planning the job in order of demand. They do not assign measurable point values to job but merely establish the number of pay classes and their relative positions. The system is relatively simple, inexpensive and expedient.

**The grade or classification method:**

This system is widely used for salaried jobs but used for manual job also in some industries in which the same worker is called upon to perform a variety of more or less standardized jobs for which standard rates of remuneration can be fixed as in the Engineering workshops, Electrical and shoe industries. This method differs from the ranking method in that labour grades are established before job characteristics are examined. The number of grades is decided upon and the functions corresponding to those grades determined, only then descriptions prepared for each job and matched with those of the different grades established.

This system is inexpensive and easy to apply. In organization with a relatively small range of jobs, the results achieved may be fairly satisfactory.
The factor comparison method:

This method begins by selecting the major elements of factors, among the factors mostly frequently used are mental requirements, skill requirements, physical requirements, responsibility and working conditions.

The ranking of jobs in respect of each of the factors and the subsequent fixing of wages are first carried out for a number of "Key Jobs" which serve as point of reference for evaluation and ranking of other jobs. For this, the "Key jobs" should satisfy a number of conditions, the first one being capable of clear description and analysis in terms of factors used.

Group of jobs selected should cover a sufficiently wide range of pay grades as regards the importance of each factor. When the rates for the key jobs are to be used as the standard for the fixing of appropriate wages in the other jobs, these rates should be regarded as appropriate by all concerned. The number of key jobs thus required as basis for a job evaluation plan for the factor comparison type depends on number and variety of job in an organisation.

The point Rating Method:

This method combines comparative analysis of job contents in respect of factors with the principle of grading and classification. Steps involved in this process are:

(a) To select and define the factors that will be used in evaluating jobs.
(b) To determine the number of degrees to be distinguished under each factor and describe.
(c) To assign point values to each degree of each factor.

Job description forms the basis of evaluation in this process. Each factor or job is assigned with points already determined on the basis of its importance.

**Advantage:**

The advantage is that, point is used instead of money value. This enables job evaluation and wage fixing to be kept separately. Since jobs are evaluated on the basis of predetermined factors/degree, the method is less expensive and fair.
A Typical Job Rating Manual.10

### Score Range

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<thead>
<tr>
<th>Grade</th>
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<tbody>
<tr>
<td>I</td>
<td>210-250</td>
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<tr>
<td>II</td>
<td>251-300</td>
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<tr>
<td>III</td>
<td>301-410</td>
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<tr>
<td>IV</td>
<td>411-480</td>
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<td>V</td>
<td>491-550</td>
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<table>
<thead>
<tr>
<th>Job Factors</th>
<th>Evaluation</th>
<th>Job Grades</th>
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<td></td>
<td>Degrees</td>
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#### Skill
1. Education
2. Experience
3. Initiative and ingenuity

#### Effort
1. Physical Demand
2. Mental or Visual Demand.

#### Responsibility
1. Equipment of process
2. Material or product
3. Safety of other
4. Work of others

#### Job conditions
1. Working conditions
2. Unavoidable Hazards

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Fringe benefits:

In majority of the industrial organizations, the employees receive a large number of benefits which are commonly known as fringe benefits. These fringe benefits include financial benefits excluding Basic Wages which are mostly in the form of deferred payment.

The fringe benefits did not come into use until 1950s. Since the end of second World War, this payment became a regular feature of the industrial wage system. The reason put forward for payment of fringe benefits are:

(a) Attract better workers (b) Increase productivity (c) Increase workers' efficiency without attracting additional employees.

In the U.K., this payment started in early years of Industrial Revolution. By the first decade of the present century, this system gained currency in almost all countries of the West. Medical benefits, workmen's compensation, maternity benefits and compulsory Social Insurance were introduced in most countries of Europe, Australia and New Zealand. After the first World War, this system expanded rapidly. With the emergence of International Labour Organization at the end of the First World War, the fringe benefit gained momentum.

In India, fringe benefits were paid in the early phases of Industrial development consisted mainly gratuitous payments made by employers to deserving employees. With the factories Act, 1881, a new chapter began in labour welfare. In 1923, Workmen's Compensation Act was passed to secure accidental benefits; later in 1954, attempt was made to

increase the material welfare of industrial workers. It increased considerably during the second World War.

The cost incurred by the employers on account of the payment of fringe benefits is considerably high in most business and industry. Fringe benefits have now become a permanent feature in industrial relations and particularly the salaried employees with the additional benefits.

The cost of fringe benefits in our country vary between 100 to 200% of the employee wage bill taking the dearness allowance or the high cost of living allowance as a part of fringe benefits. Such benefits in some other countries are - U.K. 13-14%, U.S.A. 22.5%, Italy 42%.

The common fringe benefits applicable to workers of different categories of employees are given below; but application varies from industry to industry:

Dearness allowance, overtime pay, shift allowance, conveyance allowance, city compensatory allowance, house rent allowance, cleaning charges of uniforms, travelling allowance, canteen subsidy, food subsidy, special financial assistance to workers', educational schemes, leave of absence on full pay for attending training programmes, discounts on purchases of company products, supply of uniforms, overalls and safety equipments free of charge to the affected employees, scholarship for higher studies, financial assistance to employees clubs, grant-in-aid to workers' co-operative and consumers' societies, free medical facilities, workmen's compensation, financial assistance to the workers' welfare funds, death benefits, payments to employees' provident fund schemes, gratuity, pension, bonus, incentive bonus, loans and advances, award under employees sugges-
tion schemes, safety awards, education facilities for employees' and employees children, cost of employees annual sports, theatre, picnic, cost of providing cool drinking water, supply of company publication free of charge, holiday payments, free lunch, tea, snacks, leave fare assistance for self and family, free housing etc.

The above benefits represent the accumulated benefits given by different organizations to their employees under different circumstances although supervisory and managerial personnel receive some other extra benefits as noted below. The practice differs from company to company.

Leave fare assistance in ACC/1st class rail fare, air-passage, company furnished/unfurnished housing accommodation or house allowance, transfer allowances, monetary assistance for joining social clubs/reasonable club expenses, telephone/electricity charges, reimbursement of expenses incurred for social get-together or promote company interests in the community, free car/car subsidiary/car allowance, free driver, gardener, watchman or re-inbursement for the expense incurred for payment of their salaries. Training expenses, transfer expenses for self and the family including cost of packaging, loading, unloading, insurance risks etc.

Although the original idea of payment of the fringe benefits were to increase workers' productivity, it has now been proved that these payments have been claimed by workers and union as a matter of right.

Generally speaking, management in Indian Industry, particularly the Government Corporation also, the trade unions do not appear to be adequately productivity conscious. The peculiar feature of the wage policy in India is that a large number of components constitutes the pay-packets,
very small fraction of the packets directly related to productivity. The major portion of payments are based on external factors such as the cost of living index, legislations, and bargaining strength. Dearness allowance by far the largest components of workers' pay packets and the peculiar feature of Indian Wage Structure not related to work and output i.e. productivity. However, there are certain private industries of repute who link up any additional payments such as bonus to productivity. To cite an example, since middle of 1973, sky-rocketing price of all essential commodities hit mostly the wage earners in India, as a result the most of the Government Corporations, Government departments and scores of private organisations, paid lump-sum on an adhoc basis to their workers/employees to tide up the inflationary pressure but so far it is believed that the only organisation, I.T.C. (Formerly known as India Tobacco Company Ltd.) who introduced P.I.P. (Productivity Index Plan) and paid extra money to its employees throughout India to meet the extra burden. This plan was based on net deliveries of cigarettes on an all India basis and linked up with attendance; those who will fail to achieve 80% attendance of the total working days forfeit P.I.P. payments and that money will be distributed to other employees of the unit who achieve 100% attendance.

In this context, let us examine the system of remuneration of Industrial Workers of U.S.S.R. 

The existing uniform wage rate system in the U.S.S.R. makes it possible to fix wages of industrial workers in relation to their skills, amount of work put in, as well as labour conditions of the enterprise and

natural and climatic condition in the area. The wage consists of three parts:

Basic wage rate (unskilled workers)
Wage rate scales
Wage rates and skill handbooks.

The size of the wage rates is determined in relation to the branch of the industry and within the branch depending on conditions and type of work in different sectors of production. Scales of wages rates serve to differentiate wages of workers in accordance with complexity of their work and skill. Each branch of industry, as a rule, has one scale of wage rates for remunerating the labour of workers employed in basic production. At present most branches of industry use a six category scale of wage rates which usually reflects the following ratio. 18

Categories: 1 2 3 4 5 6
Wage rates differentials: 1.0 1.15 1.29 1.49 1.72 2.00
Wage rates are determined with the wage rate differentials of 1 with that of the category in question:

Say 1 = 60 ; 6 x 60 = r. 360

Remuneration of Salaried Personnel:

The Soviet Government and the A.C.O.T.U. have established unified salary scheme for all enterprises in one or several branches of the national economy. The specific amount of a salary is determined at the enterprise or in the organization depending on duty, complexity of work and the qualification of the job holder i.e. his academic training and practical experience.

Salaries for underground, in hot shops as well as health hazards conditions are 10% higher than for less arduous jobs. In short, the principle of labour remuneration in USSR - from each according to his ability- each according to his work.

In view of the above, it is suggested that the much talk and thinking of a national wage policy for industrial workforce in our country should henceforth be evolved which should be linked up with productivity. The regular annual increment, compulsory payments like bonus should be stopped.

The importance of a national wage policy has been considered inevitable although a very tough job for the reasons that majority of the causes of labour disputes arise from fixation of wages more particularly in private enterprises as the responsibility of wage fixation remain mostly within the purview of collective bargaining. This is not the peculiar feature in our country alone but of the other developed countries of the world too. This will be evident from the following:

According to the latest figures released by the International Labour Office, strikes were soaring in every major western country except Ireland during 1974. Although Britain was in this forefront of the strike league, most of the countries, notably Canada, the United States, France, Japan and Australia showed an increasing trend. Canada lost about 9.4 million days in strikes in the first 11 months of 1974 compared with a total of 5.7 in 1973. Britain lost 15.9 million days in strikes in the first 11 months of 1974, its second worst year 1926. The United States lost 5.8 million days in the first nine months its worst record since
1970. Ireland’s remarkable descent in the league was due to the success of its national wage agreements signed by employers and unions. The Labour Gazettee Canada Vol.75, No.8 March, 1975.

The foregoing discussion clearly proves that to overcome the strike situation and labour unrest, it is suggested that in a developing country like ours if it is not possible to evolve a national wage policy at all, the Government may take lead in providing certain guide lines for fixation of wages and salaries of industrial undertaking. Although arguments may be put forward that the field of operation of industrial undertakings other than Government undertaking vary but there is certainly similarity of jobs and other related facts in all kinds of undertakings. The fixation of wages and salaries may not be of uniform pattern but will certainly of great sources to eliminate wide wage inequalities and help arresting inflation.

In a state like Assam, the fixation of wage mechanism should carefully be examined in the light of industrial backwardness so that the adoption of an efficient and sound system pave the way for healthier industrial relations which is essential for smooth growth and expansion of industries. The payment of fair wages for maintenance of workers efficiency is no doubt is a must but at the same time creating surplus profit for ploughing back for further expansion is also equally important for creating wealth, economic growth and creating employment opportunities for

help solving unemployment problem. Since the wage and salary structure of Government undertakings pose very little problem for their uniformity, the same does not hold good for private undertakings and therefore, certain guidelines of wage fixation is considered a must and should be subject to control and supervision of Government.

Usually, the tendency of management is to have a series of wage scales starting from a very low level with very nominal annual increment so that hardly a few workers could reach the maximum of the scale during tenure of service. The result is that the workers lose interest and lack initiative for efficient work. Therefore, the best course would be to have lesser number of wage scales say four or five with a better start and handsome annual increment; of course the provision of annual increments should not be made automatic but should be linked up with efficiency. Those who are not found efficient would not be eligible to earn increment. This provision will encourage worker to give efficient service with the fear of losing increment for a year. Therefore, not only the workers will benefit but the industry will also be benefited by way of increase production and productivity.

The most important factor in wage and salary administration should be such that the method of calculations should as far as possible be made simple. Too much of elements in wage components should be eliminated to avoid confusion and wrong calculation. The wage structure should be easy to understand for workers of each level.

Remuneration is perhaps the most single factor affecting labour efficiency, morale and industrial peace. The relative status of workers in
society, their commitment to industry and attitude towards management, their 
motivation towards productivity, their living standard and in fact their way 
of life are all conditioned by wages. Naturally the workers are more interes-
ted in their pay packets consisting of wages, allowances, bonus etc. than 
any other matter. Most of the strikes and lock-outs are the result of demand 
for higher remuneration both in public or private sector. There exists wide 
disparities of wages and salaries in various sectors of the country. Because 
of pressure, many unions in our country have been able to realise higher 
wages for their workers as a result, in almost in all sectors, even senior 
officers get less than a worker. To cite an example, Mr. J.D. Shuckla, 
President of the subsidiary Bank Officers Associations stated that majority 
of the grade I and II officers of subsidiary banks prefer their reversion 
to the clerical cadre as their clerical staff draw more than the officers. 
This is not the only case, but similar situation exists in majority of the 
private undertakings also. As a result, the frustration of officers are 
increasing day by day in all sectors. This is one of reason of low producti-
vity in our country due to inadequate supervision of work.18

It is therefore, for assuring parity, is essential that wage 
scales should be based on a comparative analysis of job. The principles of 
'equal pay for equal work' should be strictly adhered to which is also new 
being advocated by the Government. Though wage policy should ensure parity, 
and uniformity in a number of cases, differential may be necessitated due to 
differences in local conditions, Therefore, if differences are justified,

18. Remove wage disparities by Bansal M.L., Industrial Times, March 31, 
1975.
it should be allowed not by making changes in pay scale but by providing additional allowances.

It should always be remembered that since the best way of raising the general level of wages is to raise productivity; therefore, the wage policy should provide incentive to workers. However, there should be a ceiling on incentives too, so that workers may not overwork to such an extent that would be detrimental to their health.

The level of wages is a matter of paramount public importance. An increase in wages in one industry represents a levy on other industries and on the general consumer. It has a cumulative effect upon the whole economic system.

It is a welcome feature that Government has by now realised the gravity of the situation of the inflation and has taken various measure to curb by putting restriction on payment of high wages unnecessarily and of payment of higher quantum of bonus not linked with productivity. It is therefore once again emphasised here that all payments to workers should always be linked up with productivity alone and this is the cry of the nation to fight bringing down inflation.

The administering of employee benefits and services are important functions of personnel department. Although the broad principles are agreed in the long term agreements, the implementations in the proper perspective require careful supervision of the personnel department. Where the organisation is of large size, the functions may be assigned to different member of management for efficient supervision and avoid labour discontentment, As for example, the running of schools for employees' children, management
of a hospital, ration store, canteen, housing colony, recreational facilities etc. should be entrusted to different members of management to be assisted by Junior staff both of clerical and supervising.

The personnel department must ensure proper implementation of terms of agreement as well as implementation of various provisions of labour legislation affecting workers. It should be borne in mind that efficient functioning of personnel department create confidence in the minds of workers and serve as a moral booster and encourage for long association of workers, avoid unnecessary labour turnover.

Collective bargaining as well as workers' participation in management are the two major functions that has been included within the purview of personnel functions for which personnel department should explore all avenues for efficient administration. In the present day context of our country's need, the above two areas involving workers have added greater importance for stable growth of industries and improve economic stagnation. Therefore, it is of vital importance for both the management and Union to approach to their problems with a give and take policy and remove doubts and confusion in the process of approach.

Collective bargaining is a means of joint determination of terms of employment in between management and Union which covers all matters affecting workers in an industry or organisation. Bargaining in good faith is highly essential and both the parties should make a genuine effort to reach agreement sorting out differences mutually with a give and take spirit. With the passage of time and growing of political consciousness of workers, the collective bargaining has gained more prominence than
compulsory adjudication. This has been realised as a sound basis for better industrial relations by both employees and employers. But major hurdles of collective bargaining is often felt the need of skill in approach on both sides - employers and Union representatives. Apart from negotiating skill, the great need in collective bargaining is good and honest communication on the part of both the parties.

Within the purview of collective bargaining, all matters right from recruitment to administering of welfare services are covered. The practice of collective bargaining is usually to place a Charter of Demand by Unions to management and negotiations are confined to the terms demanded. If analysis is made of the demands of all Charter of Demands placed, it is heartening to note that none of the Unions demands are related to productivity. They do not think at all in terms of productivity while placing Charter of Demand but evidently for more and more wages and benefits. Higher wages and allowances, lesser hour of work, more and more welfare facilities, longer holidays form the part of demands but it is surprising that the question of increasing productivity for the national interest, avoid unnecessary overtimes and to reduce unnecessary wastage are found quite absent. In this context, mention may be made that leadership of Union lack national interest and as a result their followers. The workers majority of them who are illiterate can not realise the need of their social consciousness. The demands of Unions in almost in all industry are fanatically high and they put pressure on the management to concede to their demand and if demands are not conceded to, the Union resort to strikes and other methods to realise their demands. We have witnessed heartening industrial scene in the recent
past in our country and majority of the reasons of such grave situation are of failure of collective bargaining. Because of the failure to arrive at settlement of various issues in collective bargaining, union cannot be blamed alone; management is also if not equally, partially to be blamed because, many a times, their arrogant attitudes push the unions to take recourse to various means to redress their grievances. Such are the situation in the sphere of collective bargaining throughout the length and breadth of our country. In contrast, the trade unions in USSR have taken a big stride for shaping the destiny of the economy. Trade unions there are actively participating in the new Five Year Plans, devote attention to elaboration and introduction of highly productive machinery and equipment, up-to-date technological process, advance method of organising production and labour, greater productivity and higher wages. The earning of labour depends solely on the quantity and quality of their work and equal pay for equal work. On the other hand, workers in our country are quite opposite to the workers of the USSR as they always resist technological innovation in production and rationalisation.

To resolve crisis in industries to-day is the answer to the Workers' Participation in management. According to Mr. Mahatras, the concept of participation as a principle of democratic administration of industry means "Sharing the decision making process by the workers of an industrial organisation, through their proper representatives at all the appropriate levels of managements in the entire range of managerial action."\(^{16}\)

Workers' participation in management to-day has evoked much interest in India. The concept was first introduced in the Industrial Policy

Resolution of 1956. Latter in the Second Plan stated in clear terms that industrial democracy was a pre-requisite for the establishment of socialistic pattern of society.

"For the successful implementation of the plan, increased association of labour with management is necessary. Such a measure would help:
(a) Promoting increased productivity for the general benefit of the enterprise, the employees and the community;
(b) giving employee a better understanding of their role in the working of industry and of the process of production and
(c) satisfying the workers' urge for self expression, thus leading to industrial peace, better relations and increased co-operation."\(^{17}\)

Industrial democracy persists when the workers of a unit participate in management and are free to take economic decision. Industrial democracy is an essentially condition for the success of a planned economy in all countries. Some type of labour participation is practised to-day in all countries of the world but the degree of participation differs from country to country. In the U.K. and Sweden, labour participation is practised through joint advisory bodies by agreement between labour and management without legal compulsion, while in France and Belgium, the machinery for labour participation is constitutionally set up. In the USSR and Yugoslavia and other socialist countries, the industrial undertakings are supposed to be run by the employees themselves through elected council and works committees. In the Yugoslavia, as a first step, laws were enacted in 1950...

\(^{17}\) The Second Five Year Plan (Planning Commission, Government of India), p. 877.
for transferring ownership of "State enterprise" to "society" and vested control over the enterprises in its workers to administer as "Trustees of Society."

In 1980, Government of India sent abroad a study group under the chairmanship of Mr. Vishnu Sahy who carried out an on-the-spot study of Workers' Participation in the U.K., France, Belgium, Sweden, Germany and Yugoslavia. The study team on return advised the Government for bringing out an legislation to set up joint councils of management in selected undertakings to provide means of communication, to improve working and living conditions, to increase productivity. The joint councils may also be consulted matters like alterations in standing orders, retrenchments, rationalisations, introductions of methods, techniques and reduction in cease of operations and the right to receive information about the general economic situation of the concern, the market conditions, production and sales programmes, organization and general running of the undertaking, methods of manufacture and work, profit and loss statements and annual balance sheets. It was also recommended that the problems relating to wages, bonus and individual grievances should be completely eliminated from the purview of the joint bodies. The most practical and useful suggestion was that councils of management may be entrusted with some administrative responsibilities such as administration of welfare measures, supervision of safety measures, operation of vocational training and apprenticeship scheme and payment of rewards for valuable suggestions.

Economic Planning - Principles and Problems by Tandon B.C.
Following the recommendations of the study group on Workers' participation, Joint Management Councils were introduced in 1957 in 11 public sector and 18 private sector undertakings. But the result achieved were not very much encouraging. The reasons of the failure as reported were that the joint councils were interested for amenities and facilities rather than the larger problems concerning low productivity, absenteeism, high cost and inefficient utilisation of plant and equipment and even went further that one council adopted a resolution to the effect that no workers could be discharged or dismissed without the prior approval of the joint management council.

On the other hand, employers were also not very helpful towards the success of the scheme. In most cases, they did not take the councils into confidence for passing amendments of standing orders, introduction of new methods of production and manufacture involving re-deployment of men and machinery. In this way, there were many reasons of failure of the scheme. One of the main shortcomings were that majority of the workers were illiterate on one hand and unsympathetic attitude of the management on the other hand. Therefore, as a solution to the problems, an essential pre-condition for the success of this scheme is that literacy should be spread widely among the workers and a legislation should be brought to make obligatory to form joint management councils at shop-floor, departmental as well as boards levels. But this is not the right stage to recommend workers participation at the Boards level since majority of the workforce are illiterate. The legislation enacted by the Central Government in the wake of National Emergency is in the right direction to create scope for workers' participation in management to which they belonged to.
It is happy to note that in keeping with the Government's policy of workers' participation in management, a regional level of Joint Management Committee has been formed in the Fertiliser Corporation of India Ltd., Eastern Marketing Zone, Gauhati. The Committee will be represented by five officials from the management and five members from the staff. In the first sitting of the Regional Level Committee, the Staff members assured full support to maximise output, increase efficiency and observe austerity measures in all spheres of activities.

Surely, the above efforts on the part of the F.C.I. staff is commendable and it is hoped that employers and employees in other organisations of this easternmost corner state of Assam will take similar step for augmenting the poor economy.

The unions are the organisation of workers whose responsibility is to safeguard the interest of the workers, better their working conditions either immediately or in the near future. The major objectives of the unions is to maximise the opportunities for their fellow workers and ensuring their security, the right which have been granted by the Trade Unions Act. Over and above labour organise with a view to improve their wages, reduce working hours, obtain welfare facilities within and outside the scope of various statute of laws.

The function of the Trade Unions and their activities are aimed as two-way traffic which should not only helps in balance growth of industries and organisations but also leads to better employer/employee relations. Both parties are aware that exploitation by either parties can be collec-

19. F.C.I. Forms Joint Management Committee. The Assam Tribune, September 14, 1978, p.6,
tively registered. But the present day tendencies of the unions of our
country are mostly to foster indiscipline and put pressure on the manage-
ment unconstitutionally for realisation of their various unrealistic
demands. To-days' unions objectives are to realise more and more and
giving less and less amount of work and strike a hammer for more, before
the ink of the previous agreement is dried. They donot consider reasonably
the paying capacity of the employers, the economic impact on the country's
resources and the like. Therefore, when employers fail to concede to their
demands, they take recourse to go-slow, work-to-rule, mass casual leave,
strikes to redress their grievances. The resultant loss in production
lead to huge national waste causing hardship to the common masses who have
to bear the burden of the strike and lockouts. If one analyses the causes
of events, it comes to our light that most of the industrial unrest in our
country are due to politically motivated union leadership, multiplicity of
unions within the same establishment, union rivalries wherein the political
union leaders and supporters paly game to fulfil their ultlrror motives. By
and large, in the recent past, the militant activities of the unions of our
country have shaken the national economy and miseris caused to the millions
were knew no bounds which is clearly evident from the IAC and Railway
Employees prolonged strikes.

As a means of finding solutions to all the problems, it is sugges-
ted that all the constitutional means should be explored and avenues of
heart-searching between workers and unions, employers are tried first. When
all the means proved to be failure, then strikes and lockouts may be
adopted as the last resort. But in fact, unions and workers donot have
patience to explore the avenues and they resort to the cheap means of strike or other methods to resolve their grievances but it is definitely not a healthy sign for a country like ours which has been trying to exists as well as developing. It is sure that if both the employers and employees, their unions can hold patience, they can easily avert the crises and would be able to find a solution to avoid strikes and leak-outs for greater national cause.

Inter-union rivalry is one of the most important factors which adversely affect the industrial peace in our country. Political interferences is known as one of the major causes of the inter-union rivalry and the political parties take advantage of their affiliation for furthering their own political objectives. It cannot be ruled out at all the management sometimes contribute to the creation of this problem in the industry and business. Many independent unions get the help of politicians to have a better dealings with the management. Thus rival union with a rival politician comes into being.

The numerous strikes in the industrial scene of our country in the recent past were not only because of the unions’ failure to gain their economic demand from their employers but also due to inter-union rivalries and multiplicity of union in the same organisation. Further, because of mass illiteracy of the workers, they always look forward to outside help for guidance in the matter of entering into collective bargaining with their respective management. As for solution of all these nasty problems, the theory of “One unit, One union” is highly advocated as well as encouragement of workers to create their own leadership from within. On the other
hand, it is advisable that management should also afford opportunities to their workers and encourage to create their own leadership for efficient guidance. It is strongly urged that management should always be free from taking nefarious attitude and avoid taking undue advantage of the weakness of its union and their workers. If such situation exists, there is no reason why cordial atmosphere in industrial undertakings should not prevail for healthy growth of economic activities in our country.

Comments:

It was already pointed time and again that details of the conceptual aspects have been ignored and therefore, the different functions of the personnel department have just been referred to. From the discussions enumerated as above, it has been concluded that although possibilities may be limited in various industries to maintain a full-fledged personnel department, still the various functions must be performed for efficient administration. It must be remembered that employees have to be recruited, trained, promoted, transferred, wages must be paid and to a certain extent benefits and services must be rendered and records must be maintained. Sphere of the various activities may differ depending on the size of the units, expertise and workforce, compliance of Governments' legislations and local conditions.

The more scientific the approaches, the better is the result for efficient working and prospect of growth and expansion of the units and existence of cordial industrial atmospheres. It is therefore, suggested that the industrial undertakings should not lag behind to explore the possibilities of a scientific and professional functions of this vital aspects of management.