HUMAN resources in any organisation, be it public, private or co-operative, constitute, perhaps, the most vital assets of that organisation. An organisation will fail if its human resources are not competent to execute the work assigned to them. There is no getting away from the fact that human resources represent a subsystem which dominates all other subsystems of the organisation. The reason is obvious: humans design and control all other subsystems, as is shown in Chart 9.

Thus, no activity of Public Administration can be performed without efficient human resources. Walter R. Sharp
concerned. Generally, such a follow-up involves regular reports on newly employed persons from their immediate supervisors, as well as periodic interviews with the new employees. The whole value of the staffing process may well depend upon the thoroughness, and earnestness with which this re-evaluation process is undertaken.

**STAFFING TREND**

The office records indicate that during the last ten years there has been a substantial increase in the total staff strength of Markfed. It can be perused from the table below.

Table 5—
**Staff Strength of Markfed**

<table>
<thead>
<tr>
<th>Year</th>
<th>Staff Strength</th>
<th>Percentage increase over the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>1215</td>
<td>nil</td>
</tr>
<tr>
<td>1971-72</td>
<td>1295</td>
<td>6.6</td>
</tr>
<tr>
<td>1972-73</td>
<td>1581</td>
<td>22.0</td>
</tr>
<tr>
<td>1973-74</td>
<td>1798</td>
<td>13.7</td>
</tr>
<tr>
<td>1974-75</td>
<td>2004</td>
<td>11.4</td>
</tr>
<tr>
<td>1975-76</td>
<td>2092</td>
<td>4.4</td>
</tr>
<tr>
<td>1976-77</td>
<td>2369</td>
<td>13.2</td>
</tr>
<tr>
<td>1977-78</td>
<td>2454</td>
<td>3.6</td>
</tr>
<tr>
<td>1978-79</td>
<td>2524</td>
<td>2.8</td>
</tr>
<tr>
<td>1979-80</td>
<td>2557</td>
<td>1.3</td>
</tr>
<tr>
<td>1980-81</td>
<td>2968</td>
<td>16.0</td>
</tr>
</tbody>
</table>

(Source: Data compiled from the office records of Markfed)

has rightly opined: "Good administration is a composite of effective organisation, adequate material facilities and qualified personnel. Even poorly devised machinery may be made to work if it is manned with well trained, intelligent, imaginative and devoted staff. On the other hand, the best planned organisation may produce unsatisfactory results if it is operated by mediocre or disgruntled people." Moreover, people are the only assets of an organisation that appreciate over a period of time while all the other assets depreciate. The more an organisation is investing in human resources, the greater the return from the investment is likely to be. The human resources thus, play a vital role in the success of an organisation. Moreover, is not an exception to this rule.

It has a strong network of 2,968 employees (1980-81), which has increased by 144.2 per cent during the last 10 years. This sharp increase has been an offshoot of diversification and expansion of marketing activities both trading and processing. It has been rightly pointed out in one of the books of International Co-operative Alliance: "The gains accruing out of structural reforms can be best capitalised only if the personnel maintained by the co-operative

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*The total number of employees was increased to 3235 in January 1984.
Institutions are in a position to execute the policies effectively and efficiently. This implies the need and necessity of proficient and capable human resources which is one of the primary aims of the human resources management. M.N. Rudrabasavaraj has rightly stated, the fundamental aim of human resources management is to assure a steady source of sound people that can contribute to the productivity and efficiency of co-operative organisations.

**HUMAN RESOURCES POLICY AND PLANNING**

A sound foundation for selection of the right kind of human resources is laid with the formulation of sound human resources policies. A human resources policy in the words of William R. Spriegel can be defined as: "A body of principles and rules of conduct that governs the enterprise in its relationship with its employees." Such policies, according to Royal Parkinson, are rare among the employees.

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The co-operative organisations, in the opinion of Mohan Dharia, a former Central minister, also sail in the same boat. To quote him: "Co-operative institutions in India are yet to develop systematic personnel policies." The Federation, however, has got the distinction of formulating its own human resources policies. It is known as 'The Punjab State Supply and Marketing Co-operatives Services (common cadre) Rules, 1967', popularly known as common cadre rules or C.C.R. in short. It is an elaborate document which helps in maintaining uniform standards. Appreciating the role of written policies, Elsie Rabe observed: "Employees can enjoy a degree of certainty as to how they will be treated under varying circumstances." An analysis of the interview schedule revealed that 71 per cent of respondents expressed their satisfaction over the existence of written common cadre rules. They were of the opinion that written policies could help to minimise the possibility of favouritism, inconsistency and confusion over rights and obligations provided these were implemented in the right earnest. A scrutiny of the C.C.R. reveals that it has been amended from time to time.


The relevant question in the interview schedule was: "Do you like common cadre rules in the written form?" Yes/No
by the Board of Directors of Markfed. This shows the
dynamic nature of the management. During personal
discussions with one of the ex-chief executives, it was
discerned that the management endeavoured to keep
policies up-to-date and relevant.

The next important stage in the selection process
is the human resources planning, i.e., "planning applied
in the field of personnel." It is a comprehensive and
on-going process. Broadly conceived human resources
planning, as Thomas H. Patten Jr. states, "... is the
process by which an organization ensures that it has the
right numbers and kinds of people, in the right places
at the right time doing the things for which they are
economically most useful." Surprisingly, Markfed is
not yet alive to this practice or has no faith in it.

There is no proper planning with respect to the selection
of the prospective employees. The management has been
relying upon locating personnel at the pick of time when
the personnel is needed without any advance planning.
This leads to the practice of taking ad hoc decisions.
As a result of this, the Federation is over staffed these
days. The proper use of human resources planning can
eliminate either over staffing or under staffing both
of which are harmful.

George Strauss and Leonard R. Sayles, Personnel—
The Human Problems of Management (New Delhi: Prentice Hall

Thomas H. Patten Jr., Manpower Planning and the
Development of Human Resources (New York: John Wiley and

Dr. M. N. Radhakrishnan, op. cit., p.
It has been found that Markfed management is not serious about any of the above stated three elements. Rather, it has been relying upon locating personnel at the nick of time when the personnel is needed, without any advance planning. This leads to the practice of taking ad hoc decisions—as is apparent from Table 5-1.

**Table 5-1**
Creation of Posts during the last 10 Years

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of meetings at which posts were created</th>
<th>No. of posts created</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>2</td>
<td>5</td>
<td>2.5</td>
</tr>
<tr>
<td>1971-72</td>
<td>6</td>
<td>73</td>
<td>12.2</td>
</tr>
<tr>
<td>1972-73</td>
<td>3</td>
<td>52</td>
<td>17.3</td>
</tr>
<tr>
<td>1973-74</td>
<td>3</td>
<td>26</td>
<td>8.6</td>
</tr>
<tr>
<td>1974-75</td>
<td>9</td>
<td>23</td>
<td>2.5</td>
</tr>
<tr>
<td>1975-76</td>
<td>1</td>
<td>2</td>
<td>2.0</td>
</tr>
<tr>
<td>1976-77</td>
<td>6</td>
<td>24</td>
<td>4.0</td>
</tr>
<tr>
<td>1977-78</td>
<td>2</td>
<td>19</td>
<td>9.5</td>
</tr>
<tr>
<td>1978-79</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1979-80</td>
<td>2</td>
<td>2</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>12*</td>
<td>378</td>
<td>30.6</td>
</tr>
<tr>
<td>1980-81</td>
<td>7</td>
<td>169</td>
<td>24.1</td>
</tr>
</tbody>
</table>

*Source: Data compiled from the office records of Markfed*

**Note:** These posts were created by the Administrator while exercising the powers of the Board of Directors. The rest of the posts were created by the Administrative Committee.
The data in the above Table itself speak that there was no fixed period/meeting for the creation of posts. The creation of posts during a year in as many as 6 meetings in 1971-72 and 1975-76, 9 meetings in 1974-75 and 1980-81, and 14 meetings in 1979-80, support the viewpoint that there has been no advance planning with regard to the direct recruitment of the personnel. Office records reveal that the above decisions regarding increase in personnel were taken without inventoring human resources already existing at Markfed. As a result of this Markfed is over-staffed these days. Human resources planning, obviously connotes preparation of a schedule indicating the number of employees of various categories required over a period of time. M.N. Rudradasavaraj rightly states, "its use will eliminate either overstaffing or understaffing both of which are harmful."\(^{12}\) The tendency of the management to create posts at short intervals results in the process of frequent advertisements and interviews leading to heavy expenses at each stage. The preceding discussion reveals that Markfed still believes in the traditional piecemeal approach of compartmentalising the various personnel functions. This is so not only in Markfed, but in several other co-operatives also. Looking at the phenomenal growth of

\(^{12}\) M.N. Rudradasavaraj, \textit{OE-CIT}, p.239.
It is high time that the management initiates the process of sound and rational human resources planning. It will help the management to have, as K.K. Taimni says, "at its command the type of expertise that may be needed at any given point of time and place." The process however, is not that simple as it apparently looks to be; it requires careful planning and coordination throughout the organisation. Graham May adds: "The future, unless we adopt deterministic philosophies, is uncertain and therefore difficult to plan for." Thus, the management should take careful thought about possible future developments.

**MODES OF SELECTION**

Once the human resources planning is done, the next step is to find out the requisite type of candidates for employment. The common cadre rules of Workfed prescribe three different modes of selection:

1) Direct Recruitment,
2) Deputation, and
3) Promotion

In the following pages, these modes have been

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*Direct Recruitment in C.C.R. implies selection of personnel from outside Workfed—the Federation.*
Due to the lack of emphasis on human resources planning, the above stated modes are dealt independently of each other by the management. As such, each of these three modes has been discussed separately in the present chapter.

DIRECT RECRUITMENT

Personnel, from outside Markfed, are selected directly through open competition. It helps to infuse new blood into the organisation which prevents the system from becoming stagnant and repetitious. The process of direct recruitment has been depicted in Chart 10.

SOURCES

The first step in the process of direct recruitment and selection is to build up a pool of applicants from which to select qualified candidates for vacancies. A long range of sources, some practically free of expense and others very costly, are available to employers. Expressing the utility of direct recruitment sources, Klatt, Murdie and Schuster said: "The greater the number and variety of sources of personnel, the greater the chance of finding the right individual for the job." The sources which have been tapped by Markfed, over the years, are discussed below.

Advertisement

Advertisement in leading newspapers is one of the most common tools deployed by Markfed management. With the use of advertisements, the organisation not only gets the
opportunity to tap the source of qualified and experienced personnel, but also automatically develops a system of sound public relations. It has however, been observed that no systematic policy has been formulated so far by the management with regard to the advertisements pertaining to the selection of human resources. Due to the lack of human resources planning the management resorts to frequent advertisements thus, leading to wastage of time and money.

It was also found that the job specifications were rarely given in respect of all the categories of posts advertised. During personal discussions in the personnel department it was found that advertisements without job descriptions attracted applicants in large numbers but, of highly variable quality. In this context, Burrow and Leslie opine, "the number of applicants responding to a recruitment advertisement will be limited to those qualified and genuinely interested, if the advertisement is worded effectively." Thus, the need for human resources planning is once again felt. It can facilitate to plan the advertisements in proper perspective.

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i.e., as and when the management decides to fill up a vacancy. For instance, during the years 1979 and 1980, 39 categories of posts were advertised through 19 different advertisements. As such, on an average two posts were advertised per advertisement. Table further shows that even for one category of job at a time, separate advertisements were given at short intervals. Frequent advertisements lead to wastage of time and money.

A detailed scrutiny of advertisements reveals that the position or status of Markfed has been given in three different descriptions, namely:

(i) "One of Asia's largest Co-operatives".

(ii) "One of Asia's largest Co-operatives, manufacturing, distributing and marketing a wide range of products: vanaspati, fertilisers, insecticides, canned food products, etc."

(iii) "One of Asia's largest Co-operatives distributing and marketing a wide range of agricultural inputs and commodities through a state-wide network of branches".

The introduction as given at (i) is too brief to create any impact on the job-seekers. The introduction at (iii) is better than at (ii) because it indicates the strong field network for distribution purposes. Inspite of it, there is a need to highlight Markfed's processing/manufacturing activities. The modified version, therefore, can be as follows:

"One of Asia's largest Co-operatives, processing/manufacturing a wide range of products, and distributing and marketing a wide range of agricultural inputs and commodities through a state-wide network of branches."
The above stated introduction can convince the readers/job-seekers that Marks\&Spencer is not only a trading/marketing organisation but is also a manufacturing house. The annual business turnover may also be mentioned, since it will help to attract candidates with long experience in the respective areas of specialisation. It was also found that the job specifications were not given in respect of all the categories of posts advertised. During personal discussions in the personnel department it was found that advertisements without job descriptions attracted applicants in large numbers but, of highly variable quality. In this context, Burrow and Leslie opine, "the number of applicants responding to a recruitment advertisement will be limited to those qualified and genuinely interested, if the advertisement is worded effectively." It was also found that advertisements allowed a very short time to the applicants to send their applications. It ranged from six to ten days. It was on account of the reason that there was no human resources planning and as such the advertisements were given only when the need for a particular post was felt. Such a short duration may negate the efforts of Marks\&Spencer to look for and recruit competent personnel. Thus, the need for human resources planning is once again felt. It can facilitate to plan the advertisements in such a way as sufficient time can be granted to the candidates to think about it before applying.

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The institution of employment exchange, as a clearing house of job information, is quite popular throughout the world. The management has an obligation to refer all vacancies which carry a basic salary of less than Rs 500 per month to the concerned district employment exchange of the state. A study of the office records, however, reveals that in recent years this source of recruitment has not been utilised in a proper manner.

Educational Institutions

Several educational institutions every year recommend a number of bright candidates to management as management trainees or officer apprentices. Some

To continue

Markfed, like many other co-operative institutions in the state, does not respond to such references and recommendations. In this context one of the national workshops observed that "co-operative institutions generally do not tap this source (university), with the result that linkage between the universities which provide the potential source of personnel for business undertakings, has not been established with the co-operative enterprises." As many as 65 per cent respondents suggested that Markfed may maintain a close liaison with the universities for getting suitable candidates.

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The relevant question in the interview schedule was:
"Do you feel, Markfed should maintain close liaison with the Universities for getting suitable candidates for employment in Markfed? Yes/No"

Unsolicited applicants are also known as 'walk-ins' and 'write-ins': For more details, refer to Roger H. Hawk, The Recruitment Function (New York: American Management Association, Inc., 1947), pp.11-12.
those whose applications have been solicited. Such an attitude can help the management in having a wider choice. It has been found that some of these applications bear recommendations from public men. In such cases letters are acknowledged by the management.

The above description of various recruitment sources indicates that Markfed management by and large depends on advertisements as the main recruiting method. However, as a matter of fact, this is the costliest source as compared to other three sources. Leon C. Megginson in this context candidly said, "a wise and systematic method of recruitment will minimise the costs of selection and training, and result in an effective workforce; and an ineffective method will result in wasted manpower." Since the basic purpose is to interest a sufficient number of applicants it may be worthwhile to reach a wider range of suitable and qualified candidates by making a proper use of all possible sources.

SCREENING AND SELECTION

Once the sources of recruitment are identified. The next stage is the process of screening and selection. The primary aim of this stage is to obtain applicants who fit

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the organisation's needs as also the image of a good, reliable employee and to screen out those who don't. This process contains three layers as discussed below:

**Application Blanks**

Like many other organisations, Markfed invites applications from candidates, with all requisite information. The applications are collected on the presumption that candidates' past behaviour can serve as a guide for predicting his future. Elaborating the need for printed application forms, which are to be filled up by the candidates, Sayles and Strauss opine that "they test the candidate's ability to write clearly, to organise their thought and to present facts clearly and succinctly... They help the interviewer with leads... and indicate whether the applicant has consistently progressed to better jobs, and whether his education and occupation-experience have been logically patterned." Markfed however, has no printed application forms (blanks). As such, the candidates submit applications on plain paper. In a majority of cases, unwanted information is furnished, whereas, in certain instances, the needed information is not supplied. It was

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found through personal discussions with the staff in the personnel department that processing of such applications is a time-consuming process.

The printed application forms, on the other hand, can concisely provide the factual information needed for evaluating the candidate's suitability. It ultimately saves time and can also be used as a useful device for storing information for future references. Different forms may be used for different kinds of jobs. Dale Yoder is of the opinion that "forms should create, by its appearance, a favourable impression, for it provides the first contact with the organisation, in many cases, for those who are to become a part of the organisation."24

In general, through printed application forms management may ask for limited and need-based information. Once the candidate is selected, the personnel department may ask him to furnish detailed personal data for monitoring purposes.

It may also be added that from 1979-80 onwards candidates are required to remit a fee of Rs 10/- along with their applications. Personal discussions by the present researcher with the officials of Markfed revealed that this condition was laid down for two reasons: (i) to

eliminate applicants who were not serious and; (ii) to compensate a part of the cost incurred on the selection process.

The applications received by the due date are processed in the personnel department, under the direct supervision of the recruitment and training officer. For convenience, the requisite data from all the applications is compiled on a sheet of paper. Generally a copy of this sheet is submitted to the managing director and the concerned head of the department through personnel and industrial relations manager. The management has not formulated any set policy with respect to the number of applicants and the number of candidates to be called for interview in relation to the number of posts. Generally the applicants being ticked by the managing director are called for interview. It could not however, be ascertained, as to what role is being played by the concerned head of the department, in the whole process.

Howsoever specific advertisements an organisation may devise, there will always be a number of unsuitable applicants. Some of the organisations do inform them, others do not; Markfed falls in the latter category. John Finnigan in this context remarked: "There is no point in making enemies by an impolite brush off or, worse still
no reply at all; better to preserve the organisation's image or enhance it. It is thus suggested that polite but firm letters of rejection may be sent to such candidates. Such an exercise can help maintain in building up its reputation of a good employer.

**Preliminary Screening**

On an experimental basis, preliminary screening was introduced for a few categories of posts, in October 1980. Earlier the practice was to invite the eligible candidates directly for final interview after the scrutiny of applications. The scheme however, could not continue for long for the reasons best known to management. Although, it is a time consuming and costly device, yet it helps to avoid pulls and pressures. Moreover, the management gets an additional chance to review the qualities of the prospective employees. The employees' views were also elicited on this issue. 64 per cent of the respondents were in favour of this device. In their opinion, it can help to curb the practice of favouritism and nepotism and can ensure the selection of the right type of candidates. It is suggested that the management may introduce the scheme of preliminary screen in the right earnest.

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*The relevant question in the interview schedule was: 'Do you favour the need of preliminary screening while directly recruiting the employees? Yes/No*
A written test, in the words of Lee J. Cronbach, "is a systematic procedure for comparing the behaviour of two or more persons." It has an edge over the interview, for it may uncover qualifications and talent that would not be detected by interviewers.

On an experimental basis, this device of preliminary screening was introduced for a few categories of posts, in October 1980. It was found that except for the posts of senior district managers, the preliminary screening was done by way of written test. Further, the office records did not show any reasons for not holding written test in the case of senior district managers except in 1981 when screening was done with the help of a written test for the same post. Surprisingly, no preliminary screening (neither interview nor written test) was done for other categories of posts filled during 1981. It implies that the device of screening was most probably introduced without any planning and without setting proper modalities. Although, it is a time consuming and costly device, yet it helps to avoid pulls and pressures. Moreover, the management gets an additional chance to review the qualities of the prospective employees. In spite of these advantages, the management seems to have

Final Interview

The interview, that is, "conversation with a purpose," is used almost universally in the staffing process. Commenting on its wide use, Pigors and Myers say, "interview is the heart of employment process." The employers can skip the test but not the process of interviewing. Markfed is not an exception to this practice. After proper scrutiny of the applications, and preliminary screening (where it is followed), the eligible applicants are generally called for final interview. The interview for senior and middle management jobs is conducted by a group of experts, as approved by the Administrative Committee. The group also includes the managing director and one or two members of the Administrative Committee. Besides, one or two experts are also invited from the nearby universities or co-operative training institutions. For junior posts, the managing

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*The relevant question in the interview schedule was: "Do you favour the need of preliminary screening while directly recruiting the employees? Yea/No*


director himself conducts the interview with the help of certain other concerned senior officers of the organization. During personal discussions with some fresh appointees (1979-80) it was found that the process of interviewing could be described as partly structured and partly non-structured. It was also found that some members of the interview committee probed selected aspects concerning the nature of the job, while others asked general questions, after getting clues from one another. These questions were related to previous job experiences, educational qualifications, present domestic life and about general knowledge. This is exactly on lines with what Torrington and Sutton have pointed out: "It is necessary to assess what information is on the application form and what has been omitted, to decide what further information is required to assess the candidate's actual knowledge, and what questions must be asked for a fair judgement to be made." This means that interviewers have tried to seek enough information about the candidate to determine whether he is suitable for employment for the particular job to be filled up. Many will come to think that this is the only purpose of interviewing; but, this is not so. In the opinion of T.W. Harrell, the purpose

of interview is threefold: obtaining information, giving information and motivation. That means, the interviewer should not only get information about the candidate, but should also provide an opportunity to the applicant (interviewee) to ask questions about the organisation and the job. That makes Dale S. Beach to say, "employment is a two-way proposition. Not only is the employer choosing an employee, but also the job seeker is choosing an employer."^2^ Wendell L. French however, says that the information given to the applicant, "must be realistic, of course, if subsequent disillusionment and turnover are not to occur."^3^ In other words, employers should try to furnish accurate information without hiding its flaws. Hall and Hall have described them as "realistic job previews."^3^ In the light of the above stated discussions, it is suggested that Markfed management may make efforts, at the time of final interview, to furnish to interviewees some information about Markfed and the job he is to perform.

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MEDICAL EXAMINATION

All the selected candidates are required to get themselves examined for physical fitness. The objective is to obtain information on the health of a selected candidate and to ensure that he is not suffering from any contagious or serious disease.

PLACEMENT

Staffing process is not deemed to be complete with the selection of the candidates. The selected candidates have to be assigned to the jobs according to their choice and responsibilities. This process is known as placement; and proper placement of candidates is of considerable importance to an organisation. According to Sinha and Sahaya, placement is the process of putting right persons on right jobs to avoid all misplacements and likely
displacements. Marked management however, does not seem to be much aware of the importance of placement in the staffing process. The selected employees are asked to join the concerned department and further details about the job is given by the respective head of the department. On personal discussions with the newly appointed employees, it was found that for weeks together no work was assigned to them; secondly, the work was allotted to them without ascertaining their choice or capabilities. Sometimes they were even supposed to find vacant seats for accommodating themselves. In many cases, it was observed that the employees did not know as to what was expected of them at the job. This leads to frustration or decline in morale among such employees and even sometimes leaving of the organisation by the efficient hands. In order to substantiate this viewpoint a case study of recently appointed (1979-80) internal auditors was undertaken.

Case Study

The Administrative Committee in one of its meetings in November 1979, created five posts of internal auditors. After advertisement, the interview was held on December 7, 1979. The selection committee recommended seven candidates, out of which only four persons joined. Since one post

great deal of time, energy and money on the selection of candidates, but skips the next phase, i.e., proper placement of the selected employees. A little attention towards placement can avoid repetition of the whole selection process for the same jobs.

On finding an element of discontentment among the newly appointed employees, a fresh interview* of 50 persons selected at random out of the newly appointed (1979-80) employees was conducted. Surprisingly, 29 (58 per cent) respondents said 'not satisfactory' to the question: "How do you find this organisation? Good/Satisfactory/Not satisfactory."

The third question was: "Are you satisfied with the present job? Yes/No. Give reasons". Twenty-four (48 per cent) respondents said 'no', some of the reasons advanced by them were like no work, unequal distribution of work, etc.

The fourth question was: "What are your future plans?" Twenty-two per cent of the respondents said that they were trying to find some other jobs. This question can be compared with the second question: "Why did you leave the previous job?" In their replies to this question, twenty-two per cent

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*The schedule was administered in December 1981.
respondents said they had left the previous job for higher salary, twenty-eight per cent said they had done so for higher designation, and twenty per cent said they had joined only to bargain with the next employer. Eight per cent of the respondents said that they wanted to settle at Chandigarh.

The fifth question was: "Please write in brief your overall impression about the organisation". In reply to this question, thirty-two (64 per cent) respondents gave unfavourable opinion, whereas eighteen (36 per cent) spoke in its favour. Some of the comments were of the nature of 'mismanagement', 'political interference', 'hard work has no value', 'no better prospects for new recruits', etc.

The above description reveals that new employees did not get what they had expected in terms of organisational facilities. This incompatibility between what the employees expect in their new jobs and realities they are confronted with generally lead to several managerial problems namely low morale, poor efficiency and frequent turnover of the personnel. It all happened due to the casual attitude of the management towards the placement of the employees. Milton M. Mandell has rightly pointed out that an employee should be put in a job which makes maximum use of his

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strengths and has minimum relevance to his weaknesses. Correct placement will have great impact on his potential productivity. Keeping in view the importance of proper placement in increasing the efficiency of an organisation, it is suggested that management may also pay serious attention to this issue.

**FOLLOW-UP**

Follow-up means checking upon the effectiveness of selection and placement by making inquiries to discover at periodic intervals following placement, how effectively the new appointee is performing the functions which have been assigned to him. This practice is also not being followed in Markfed. Highlighting the importance of follow-up, Dale Yoder says: "It is highly important, both from the standpoint of effective placement and as a means of checking on the efficiency of selection procedure, that placements be followed up." Any big organisation of the size of Markfed should adopt this practice. With its adoption inefficient employees can be weeded out without getting late and the grievances of the disgruntled employees can be remedied at the earliest. Lyód G. Reynolds remarks that the inability of the employer to correct his hiring mistakes in later years will in time lead him to be more careful and make fewer mistakes with benefit to all.

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DEPUTATION

Borrowing of services of employees by one department from other departments constitute one of the most commonly used sources of recruiting the personnel. This source is popularly known as deputation. The co-operative sector has also been increasingly making use of this source. Infact, the tendency of lending the services of officials of various Government departments to the co-operative organisations in the State is increasing. The Committee on Co-operative Administration in this context observed that "the deputation of State officials has assumed large proportions in co-operatives." 32

The reliance of the co-operative institutions on the State Government in the matter of deputation of personnel can be seen from two angles. Firstly, there has been a common sensing that co-operatives have, by and large, failed to attract efficient and competent body of managerial personnel, because the posts do not provide much scope for personal growth and career development. In this context, one of the reports of an international seminar on co-operatives commented that "those who cannot be absorbed elsewhere, join the co-operative sector." 33 Reputation of officials from Government departments can however, save

32 Proceedings of the 7th Indian Co-operative Congress, held on February 5-7, 1976 at New Delhi. Published by the National Co-operative Union of India, New Delhi, p.12.

co-operative institutions from the difficulty of securing the services of suitable and reliable persons. Secondly, the management themselves prefer the system of deputation of Government employees, because it enables them to smoothen the relationship between their organisations and the State Government. There is another aspect of the practice of deputation which deserves attention. This practice is a boon in disguise for bureaucrats, since, it provides opportunities to officials in the parent departments for promotion.

The Federation,

Merked, like other co-operative organisations, has been borrowing, ever since its inception, the services of Government officials on deputation. Table 5-2 indicates that the number of such officials was 99 in 1970-71 and in 1972-73, it went up to 108, an all time high record, during the period under review. The same Table shows that the deputationists were called in for different categories of jobs. They included technical, specialised, senior, middle and junior management personnel. The three categories, i.e., engineers, field staff and assistants constituted a substantial part of the total bunch of the deputationists. With the passage of time, the management started employing its own personnel thus, gradually reducing the number of deputationists.

It has also been observed that the management did not
follow any uniform policy with respect to the tenure of
deputation. The period varied from less than one year
to a little above five years. As a matter of policy the
State Government discourages the stay of deputationists
beyond five years.*

CASE-STUDY

Since the total number of deputationists is too large
so a case study of 50 deputationists** who had joined Markfed
time to time was undertaken at random. Four variables
were taken into consideration, namely (i) status of
deputationist; (ii) parent department; (iii) method of
selection; and (iv) period of stay in Markfed. The details
are given below:

(i) **Status of Deputationists**

The study reveals that Markfed borrowed officials on
deputation for several categories of jobs. It has also been
found that the technical personnel on deputation constituted
about 20 per cent, whereas non-technical officers constituted
22 per cent, the same may be perused from Table 5-9.

*Recently, the State Finance Department has turned
down the request of the State Co-operative Department to extend
the deputation period beyond five years (Circular No. Audit/
**Refer Appendix 9, for details.
Table 5-9

Categories of deputationists and their frequency

<table>
<thead>
<tr>
<th>No.</th>
<th>Category</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Managing Director/Additional</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Managing Director/Janet</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Secretary/Establishment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Officer</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Engineers/Technical Experts</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>District Heads</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Plant Personnel</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Field Staff</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>Accounts Officials</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Assistants</td>
<td>18</td>
</tr>
<tr>
<td>8</td>
<td>Stenographer</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Driver</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>50</td>
</tr>
</tbody>
</table>

(Source: Data compiled from the office records of mandir)

Table 5-9 further reveals that the deputation at the junior level (category 5 to 9) constituted the highest, i.e., 60 per cent (30 employees), which is considerably higher than the technical and specialized staff or senior management personnel on deputation. The deputation of technical personnel can be justified due to the scarcity of capable, experienced and fully qualified persons of such categories. But the borrowing of the services of stenographers, driver and assistants may not be justified on any grounds.
(ii) Parent Departments

The study reveals that as many as 15 Government departments have loaned the service of 50 employees on deputation to Markfed, as shown in Table 5-10.

Table 5-10

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Parent Department</th>
<th>Number of Officials</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Registrar, Co-operative Societies (R.C.S.)</td>
<td>18</td>
</tr>
<tr>
<td>2</td>
<td>Chief Auditor, Co-operative Societies</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Public Works Department (Building and Roads)</td>
<td>7</td>
</tr>
<tr>
<td>4</td>
<td>Agriculture Department</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Development Department</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>Panchayati Raj Department</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Finance Department</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>State Secretariat</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>Food and Supplies Department</td>
<td>3</td>
</tr>
<tr>
<td>10</td>
<td>Industries Department</td>
<td>1</td>
</tr>
<tr>
<td>11</td>
<td>Public Health Department</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Health and Family Planning Department</td>
<td>1</td>
</tr>
<tr>
<td>13</td>
<td>Director, Public Instructions (Schools)</td>
<td>1</td>
</tr>
<tr>
<td>14</td>
<td>Revenue Department</td>
<td>1</td>
</tr>
<tr>
<td>15</td>
<td>Deputy Commissioner’s Office</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

(Source: Data compiled from the office records of Markfed).
The data in Table 5-10 indicates that Markfed has taken over the services of the officials from such Government departments as have no connection with the work of Markfed. The above-mentioned departments are arranged from top to bottom depending upon their affiliations to the co-operative movement or upon doing work similar to that of Markfed. The deputationists from the first six departments in serial order can be rationally accepted for the simple reason of their background. The departments from number seven to nine have little relevance to the functions of Markfed. The departments from 10 to 15 do not seem to have much justification to sponsor officials for the co-operative sector. Brij Bhushan Goel states that, "some of the officials in co-operatives have been inducted on deputation merely to oblige handmaids whose experience of work in their parent department in no way qualified them to undertake the specific tasks of the co-operatives."

(iii) Method of Selection

The study reveals that selection of the deputationists is made from a limited field. In as many as 15(30 per cent) cases the name of only one candidate was sent by the parent department which was against the policy of Markfed and the same was selected.

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management. The same table further shows that in only 4 (3 per cent) cases the names of 4 candidates were considered.

Table 5-11
Panel of Names considered against each Vacancy for Deputation

<table>
<thead>
<tr>
<th>Number of Cases</th>
<th>Panel of Names considered for selection on Deputation</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>26</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

(Source: Data compiled from the office records of Markfed).

In 1972, while approving the name of an officer on deputation, the then Administrative Committee pointed out, "we should in future get a panel of three names and make a selection out of that." At times, the management has to yield to Government orders. For example, in 1979, the then managing director declined to accept the services of an officer from the office of the Registrar, Co-operative Societies on deputation as establishment officer in Markfed. The Government did not accept his plea, and the officer joined Markfed against the wishes of the managing director.

In this context, the committee on Co-operative Marketing (1966)

*Markfed, proceedings of the meeting of the Administrative Committee held on April 15, 1972, Item 13.

**Markfed, letter from MD to Secretary, State Co-operation Department vide letter no. Est/Ad-V/4739-40, dated April 6, 1979.*
noted with concern that the suitability of a particular officer for the job is not always borne in mind and that the postings are made mostly to suit administrative convenience, irrespective of the officer concerned for the job. Infact, a panel of names for different categories of jobs may be prepared and the co-operative organisations may be given a free hand to choose the candidates on the basis of job specifications or requirements.

(iv) Period of Stay

The case study indicates that the period of stay

Table 5-12

Period of Stay of Deputationists

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Status</th>
<th>Below one year</th>
<th>1 - 3 years</th>
<th>3 - 5 years</th>
<th>Above 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Managing Director/Additional Managing Director/Joint Secretary/Establishment Officer</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Engineers/Technical Experts</td>
<td>-</td>
<td>5</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>District Heads</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Plant Personnel</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Field Staff</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Accounts Officials</td>
<td>1</td>
<td>4</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Assistants</td>
<td>-</td>
<td>8</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>Stenographer</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Driver</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>3</td>
<td>25</td>
<td>19</td>
<td>3</td>
</tr>
</tbody>
</table>

(Source: Data compiled from the office records of MarKfed).
has varied from one deputationist to the other. It can be seen from Table 5-12.

The table further indicates that 19 persons stayed for a period of 3-5 years, 28 stayed for less than 3 years, 3 stayed for less than one year and the same number stayed for a period of more than 5 years. It indicates not only lack of proper planning on the part of the management but also lack of uniformity and consistency in the execution of the policies. In one of the meetings of the Administrative Committee, it was decided that the deputationists should in no case stay for more than 3 years. However, the above recommendation was not implemented in letter and spirit as is evident from the above analysis. Moreover, a period of 3 years is sufficiently long to arrange for the selection of a suitable candidate either from within or outside the organisation.

REACTION OF EMPLOYEES

During informal discussions it was found that the employees had developed resentment against the system of deputation. In almost all the demonstrations and strikes, the employees expressed their unhappiness over the issue of deputationists. In order to elicit their views, as many as ten questions were added in the interview schedule. Their responses are analysed in Table 5-12. In the light of these analyses, the following observations may be made:

Table 5-13
Reaction of the Employees on the issue of Deputationists

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Questions</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deputationists are more experienced and knowledgeable in the field of co-operation</td>
<td>33(27)</td>
<td>53(40)</td>
</tr>
<tr>
<td>2</td>
<td>People with great push get chance to come on deputation</td>
<td>127(84.7)</td>
<td>23(15.3)</td>
</tr>
<tr>
<td>3</td>
<td>Deputationists maintaining links with high ups can stay for a longer period</td>
<td>127(84.7)</td>
<td>23(15.3)</td>
</tr>
<tr>
<td>4</td>
<td>They come to get more financial benefits</td>
<td>133(88.7)</td>
<td>17(11.3)</td>
</tr>
<tr>
<td>5</td>
<td>They are committed to the goals of Markfed</td>
<td>52(34.7)</td>
<td>98(65.3)</td>
</tr>
<tr>
<td>6</td>
<td>They block the promotion chances of employees working in Markfed</td>
<td>138(92)</td>
<td>12(8)</td>
</tr>
<tr>
<td>7</td>
<td>Their attitude towards colleagues is co-operative</td>
<td>67(44.7)</td>
<td>83(55.3)</td>
</tr>
<tr>
<td>8</td>
<td>You like their stay in Markfed your organization</td>
<td>20(10.7)</td>
<td>122(81.3)</td>
</tr>
<tr>
<td>9</td>
<td>Management should encourage deputation for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Higher level posts;</td>
<td>70(46.7)</td>
<td>80(53.3)</td>
</tr>
<tr>
<td></td>
<td>(b) Middle management posts;</td>
<td>19(12.6)</td>
<td>131(87.4)</td>
</tr>
<tr>
<td></td>
<td>(c) Junior level posts;</td>
<td>14(9.3)</td>
<td>136(90.7)</td>
</tr>
<tr>
<td></td>
<td>(d) Specialised/Technical posts;</td>
<td>117(78)</td>
<td>33(22)</td>
</tr>
<tr>
<td>10</td>
<td>You like their permanent absorption.</td>
<td>38(21.3)</td>
<td>128(78.7)</td>
</tr>
</tbody>
</table>

Note: Figures in brackets indicate per cent share of the total respondents.
Lack of Experience

One hundred and seventeen respondents out of a total of 150, i.e., 78 per cent, were of the view that the deputationists lack co-operative experiences as well as managerial capabilities to run the organisation on business-cum-co-operative lines. Mention may be made of the appointment of a teacher of a primary school teaching the subject of Punjabi on deputation as manager. The deputation of driver and stenographer provide clear instances to support this view. In this context the Committee on Co-operative Marketing (1966) opined: "Every officer of the Co-operation Department will not necessarily have the requisite business acumen, particularly to run a marketing society." One of the interesting cases of a deputationist who could not handle this job properly, may be judged from an extract of the progress report as submitted by his immediate supervisor to the headquarters, as reproduced below:

"His work is not satisfactory. Since his joining as Manager, he has always proved a problem on all occasions. He lacks managerial capacities. I have also observed that he cannot handle even minor problems, may be of labour or of a primary co-operative society staff".

As many as 117 respondents, i.e., 78 per cent, were of the view that the services of only specialised personnel...
should be borrowed. The borrowing of the services of non-specialised staff does not appear to have much justification as these are easily available from the open market.

Appointment on extraneous grounds

The replies reveal that 127 respondents, i.e., 84 per cent were of the opinion that employees having links with the high ups manage to come on deputation. On personal discussions it was observed that one of the sport officers, related to a high up, expressed his desire for deputation in Markfed. Accordingly a post of the assistant secretary was created by the Administrative Committee. The reason assigned was "we have taken the services of a deputationist from Registrars, Co-operatives societies, agriculture, food and supplies and not from the education department."

The names received from the education department consisted of one senior district sports officer, two district sports officers and one sports officer. The last officer was taken on deputation, although he was the most inexperienced official of the list. It may be added that the management did not borrow the services of a sports officer for encouraging sports among the Markfed employees, but to oblige a senior official.

*Markfed, Proceedings of the meeting of the Administrative Committee held on October 18, 1972, Item 5.*
A corollary of it is that those who could not get selected in open competition tried their induction through this method, which may be called backdoor entry. It indicates that deputation is meant to accommodate close associates of high ups, irrespective of the aptitude, business knowledge, and capabilities and experience of the persons concerned. This leads to dissatisfaction among the employees working within the organisation.

**Blocking of Promotion Channel**

Ninety two per cent of the total respondents expressed their unhappiness over the way the promotion channel got blocked by the induction of deputationists. The 7th Indian Co-operative Congress held in February 1976 also observed that such a practice came in the way of legitimate aspirations of the employees of these institutions for advancement.

Some of the employees feel that this has become a vicious circle which the high ups would never break. Reverting of a deputationist might lead to a series of demotions in his parent department. In one of the communications to the managing director of the parent department wrote, "in case A is recalled from deputation it would entail unnecessary transfers of other employees."*

*Letter from Chief Auditor, Punjab to the MD, Markfed, letter no. Audit/Atas/276, dated April 4, 1980."
Lack of Identification

Sixty five per cent of the respondents were of the view that the deputationists were not committed to the goals and objectives of Markfed. Rather, they brought with them old values, attitudes and practices. Departmental employees prefer deputation due to certain benefits, namely, higher status, transfer to the districts of their choice and substantial financial benefits —like deputation and other allowances, etc. To substantiate this point a case study is given below:

"Some official applied on December 17, 1972 to the managing director of Markfed to get his services in Markfed on deputation as senior assistant to be posted at Patiala. After getting no reply, he managed to pass on a similar request through the Registrar, Co-operative Societies, Punjab, to the managing director on April 6, 1973. On May 24, 1973 he was informed that there was no vacancy at Patiala but he could be adjusted at Chandigarh. The concerned official gave his acceptance on June 11, 1973 and joined Markfed on June 25, 1973. In the meantime, he managed to send a communication from the Registrar, Co-operative Societies on January 3, 1974 to the managing director for his transfer to Patiala. Finally, on January 14, 1974, he was transferred to Patiala"

The above study indicates that Karkfed's service was used by the official as a plank to reach his home district. In this context it will be most appropriate to quote the ex-Agriculture Minister's words: "such people in many cases are not likely to be imbued with the co-operative ideal. They would be able to play the Government machinery against the co-operatives and, with no personal stakes in the movement, they are likely to distort its functioning and image."

Under such circumstances one cannot hope that deputationists would develop a sense of belongingness for the movement or can devote themselves whole heartedly to the achievement of the goals. The Committee on Co-operative Administration also pointed out: "It cannot also be assumed that they would develop in every case a sense of identification with the institution in which they are posted." 88.7 per cent of the respondents opined that deputationists were there to earn more financial benefits. This in turn has dammed the enthusiasm of the personnel working within Karkfed. organisation jobs dampened.

Class Consciousness

The survey also reveals that deputationists always possess superiority complex and, as such, they create a sort

of class consciousness. 55.3 per cent of the respondents were of the view that the attitude of the respondents towards Markfed employees is un-cooperative. As many as 122 respondents desired that deputationists should be sent back. About the same number of respondents, i.e., 122, opposed the idea of permanent absorption of deputationists in the service of Markfed.

The study indicates that the practice of deputation has resulted in dissatisfaction and resentment among Markfed's employees affecting the efficiency of the organisation. Moreover, as F.E. Weeraman points out, deputation of Government officers to co-operatives decreases their value as people's organisation. The practice needs to be reviewed so as to remove its adverse effects on the morale of the employees. The management may decide the norms and conditions under which services of Government officials might be borrowed. Moreover, the most suitable candidates should be selected by tapping all possible sources including other co-operative organisations. Efforts may be made to find some one who has an aptitude for co-operatives. In this context the former chief executive of National Co-operative Union of India rightly observed, "while the co-operatives should have no hesitation in taking competent people from any source, Government or otherwise, 

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It is also suggested that on the analogy of public enterprises it should be the endeavour of co-operative management to ask officials on deputation whether they would like to be absorbed in the co-operatives on permanent basis, immediately after the completion of their deputation period. This would enhance the belongingness of deputationists towards the co-operatives. Otherwise, they would just be serving for the deputation period without any commitment and identification towards the goals of the organisation concerned.
it should be a selective and deliberative decision on individual basis rather than the norm as it is now tending to become." In this context the Administrative Reforms Commission observed: "Instead of deputing officers on ad hoc basis, the State Government should prepare a panel of suitable officers with reference to their aptitudes and business capabilities and the co-operatives should be free to choose from the panel." Once they have been selected they need to attend a crash training programme, so as to obtain quick appreciation of the working of Markfed. Against this background one could appreciate the need and necessity to formulate and enforce a clearly spelt-out personnel policy on deputation in the larger interest of the co-operative movement. The management however, may rely less on deputation and more on its own recruitment and promotion, as this would be in the interest of continuity and commitment among the personnel.


Promotion is yet another method of recruitment. It is the process of filling up vacancies from within the organisation. According to L.D. White: "It is an appointment from a given position to a higher grade involving a change of duties to a more difficult type of work and greater responsibilities, accompanied by a change of title and usually an increase in pay." Promotion is the least expensive source of employment vis-a-vis direct recruitment. As such, this method has an edge over the direct recruitment method. In the opinion of Michael J. Jucius, as a result of this method the morale of the employees in general is raised because the employees are thereby given concrete evidence that they are preferred over outsiders when vacancies occur. Another expert is of the view that this type of policy is advantageous to the organisation, because it has already made a certain training investment on its employees, and it will try to get the best possible return from this investment by utilising the services of its personnel in the highest possible positions.

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Before 1969, i.e., prior to the implementation of the common cadre rules, the promotion to the senior positions in Markfed was merely a matter of opportunity. The rules now provide both types of recruitment, i.e., internal as well as external.

During discussions with the employees it was found that they were deeply interested in filling up more and more vacancies by selecting employees from within the organisation. Out of 150 respondents, 121 (80.7 per cent) favoured promotions for filling up higher posts while 29 (18.6 per cent) were not in favour of it. Some of the senior officers, during personal discussions, said they were in favour of promotion, since they were in a better position to evaluate those who had been working under them than the candidates who came from outside.  

Markfed, Common Cadre Rules, Rule 2.4(6):  
**The relevant question in the interview schedule was: "Do you favour recruitment from within Markfed (promotion) for higher jobs".**

A firm decision regarding promotion was taken after necessary amendments were made to the common cadre rules on October 22, 1973. The new policy stated that 50 per cent of the vacancies would be filled up by promotion. With the passage of time, the percentage share of promotion kept on increasing, depending upon the exigencies of work e.g., the percentage quota of promotion for junior assistants was increased from 50 per cent to 80 per cent in 1978 and 100 per cent in 1979. Similarly, for other categories the share of promotion to the total selection has been rationally fixed. The rules also provide for 20 per cent selection grade posts in each and every category. This policy has been introduced so that those employees who may not get promotions on account of limited posts in higher cadres and have reached the maximum of their present scale may be given an incentive in the form of a higher pay scale. It may be made clear that the selection grade is not a promotion, it is merely a means to prevent stagnation.

**BASIS OF PROMOTION**

One of the crucial problems in the process of promotion is to decide about its basis or principles. The number of aspirants is always more than the number of vacancies. Lewis

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*Markfed, Proceedings of the meeting of the Board of the Directors held on July 4, 1973, Item 2.*

**Markfed, Resolution 128 (Decision of Chief Executive while acting as Administrator in the absence of Board) dated November 22/25, 1979.*
Mayors has rightly pointed out: "If promotion is not
effected judiciously, there is a danger that it would
breed discontent, diminution of incentive and general
impairment of morale." It has a direct bearing on
the efficiency of the administration.

The promotion can be based on either seniority, or
merit, or a mix of the two, i.e., seniority-cum-merit.
The Federation follows the Ovov era.
The promotion is
'seniority-cum-merit'

made keeping in view the seniority and service record of
the official concerned, together with the judgement of
the chief executive/Administrative Committee. The
management is, therefore, following the policy of compromise
between seniority and merit. Edwin B. Flippo rightly defines
this principle as: "When ability is substantially equal
seniority will govern." Thus, seniority will be considered
only when ability, merit and capability of two candidates
for a higher post are, for all practical purposes, substantially
equal. The employees however, are not satisfied with this

54 Lewis Mayers, The Federal Service —A Study of the
System of Personnel Administration of the United States
Government (New York: Institute for Government Research and

*Markfed, Common Cadre Rule 65, Rule 2.4(c).

55 Edwin B. Flippo, op. cit., p.255.
practice. They were of the view that the principle of seniority-cum-merit holds good only on paper and that the recommendations of the high ups are the sole means of getting promotions. The following examples were noticed during investigation by the present researcher in support of their views:

One of the senior assistants was appointed on 89 days' basis and was subsequently promoted as manager of one of the processing plants.

A helper in the plant at Khanna got the first promotion as foreman and soon got another promotion as shift maintenance incharge.

A senior assistant appointed on 89 days' basis was first appointed as manager 'A' grade and subsequently promoted as personnel officer in one of the plants, both times in higher pay-scales.

A senior accountant at headquarters was promoted as O.S.D. (Officer on special duty) taxation, and then promoted as taxation officer.

These concrete cases demonstrate that persons senior to other incumbents were not considered for promotion. The confidence of the employees is shaken when undue favours are shown to some of their colleagues. This is also harmful for the morale of the employees of the organisation. Highlighting the repercussions of a biased promotion policy,
Avasthi and Maheswari observed:

"Recruitment makes the unsuccessful vanish from the scene; and thus, the employer has no dealing with them. Not so in the case of promotion. If promotions get governed by favouritism, nepotism etc., the 'left-outs' will in all probability continue floating in the same organisation nursing grievances against employers. The consequent low morale cannot but affect organisational productivity."

In other words, it may be said that promotion is a very sensitive device which needs to be used very carefully. In order to rationalise the system of merit evaluation for further promotions, the management devised a new screening process in 1979. The screening process consists of a written test of requisite standard followed by a formal interview. The policy further says that employees eligible by virtue of their length of service are permitted to take the test even if there are adverse remarks in their character rolls. In departmental action/enquiry is pending against them. The screening process carries 100 marks:

- Written test (2 papers): 60
- Review of past performance: 30
- Performance in interview: 10

The candidates, irrespective of their performance in the written test are called for interview. Those who secure 40 per cent marks and above in the overall assessment are recommended for promotion.

Thus, an effort was made to give promotion to the deserving employees on the principle of seniority-cum-merit.

The reaction of the employees was also ascertained with regard to the new promotion scheme through the interview-schedule. As many as 57 per cent of the total respondents were not in favour of the new scheme. In the opinion of the employees written test followed by interview is one of the tools in the hands of management to promote their handmaids. Their opinion (69 per cent) was that promotion should be on the basis of pure seniority because it is free from favouritism and other extraneous considerations. Some of the employees described it as the only objective criterion. A few others described it as a reward to the employees for loyalty.

On the other hand, promotion on the basis of seniority alone is not considered as a sound system of recruitment. It ignores merit and ability of employees. In the opinion of Sayles and Strauss, "excessive emphasis on seniority however,

*The relevant question in the interview schedule was:
"Do you favour need of written test for promotion?" Yes/No

** The relevant question in the interview schedule was:
(a) "The basis of promotion should be:
Seniority/Merit/Seniority-cum-Merit" (Please tick your answer)

(b) Please give reasons for your answer.
may violate employees' attitude about the right way of getting ahead.*57 In other words, it acts as a constraint in the development of high standards of performance. Employees would not find it worthwhile to do their best because time would push them up in the ladder of privilege and position. Infact promotion should be a reward to encourage those employees who make a successful effort to increase their knowledge or skill and who maintain a high level of productivity.*58

The present policy, as adopted by the management of Markfed is, therefore, in order. The management should try to establish its fairness and equity among the employees for the success of the new policy.

**Actual Promotion**

We shall now analyse the actual promotions made during a decade in Markfed. An effort has been made to analyse the promotions with respect to various categories of jobs and different pay-scales, on the basis of facts and figures given in Table 5-15.

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Table 5-15
Total Promotions over the years

<table>
<thead>
<tr>
<th>Year</th>
<th>Total No. of Employees</th>
<th>No. of Employees promoted</th>
<th>Percentage of Employees promoted to the total strength</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>1215</td>
<td>19</td>
<td>1.5</td>
</tr>
<tr>
<td>1971-72</td>
<td>1295</td>
<td>14</td>
<td>1.1</td>
</tr>
<tr>
<td>1972-73</td>
<td>1581</td>
<td>12</td>
<td>0.7</td>
</tr>
<tr>
<td>1973-74</td>
<td>1793</td>
<td>43</td>
<td>2.4</td>
</tr>
<tr>
<td>1974-75</td>
<td>2004</td>
<td>55</td>
<td>2.7</td>
</tr>
<tr>
<td>1975-76</td>
<td>2092</td>
<td>16</td>
<td>0.7</td>
</tr>
<tr>
<td>1976-77</td>
<td>2369</td>
<td>29</td>
<td>1.2</td>
</tr>
<tr>
<td>1977-78</td>
<td>2454</td>
<td>8</td>
<td>0.3</td>
</tr>
<tr>
<td>1978-79</td>
<td>2524</td>
<td>24</td>
<td>0.9</td>
</tr>
<tr>
<td>1979-80</td>
<td>2557</td>
<td>26</td>
<td>1.0</td>
</tr>
<tr>
<td>1980-81</td>
<td>2968</td>
<td>92</td>
<td>3.1</td>
</tr>
</tbody>
</table>

(Source: Data compiled from the office records marked).

The data in Table 5-15 presents a poor picture of promotion of employees in marked. It has almost been insignificant especially during the years 1972-73, 1975-76, 1977-78, and 1978-79. Numerically, the number of promotions were maximum during the years 1973-74, 1974-75, and 1980-81. The office records further indicate that majority of the promotions have been in the categories of junior assistant, senior assistant, manager 'C' grade, and accountant as are shown in Table 5-16. The same Table further, indicates
that as compared to headquarters, and field offices, promotion of plant employees have been quite insignificant. Majority of the respondents* viz., 57 per cent expressed dissatisfaction over the limited promotional avenues.

The foregoing discussion is based on one variable only, namely the total number of promotions in different categories. In order to examine the average time consumed for the purposes of promotion a case study of 50 employees selected at random was made. The data of this case study is shown in Table 5-17.

It was found that 27 out of 50 cases, i.e., about 50 per cent had not got any promotion in spite of the fact that 5 persons have put in more than 12 years of service and other 18 have put in 8-9 years of service. It was also found that 22 employees got one promotion and only 1 employee got two promotions. The study also indicates that the time taken for promotions was too much. For example, an assistant secretary and a district manager got the first promotion after putting in 10 years of service. Senior assistants and managers had to wait for more than 12 years to get promotion. Field assistants and accountants 'C' grade did not get any promotion even after putting in 10 to 14 years of service. This confirms lack of adequate promotion avenues within the organisation.

*The relevant question in the interview schedule was:

"Are you satisfied with the existing promotional avenues?" Yes/No
### Table 5-17
Case-Study Analysis with regard to Promotion of Employees (N=50)

<table>
<thead>
<tr>
<th>Category of post at the time of Appointment</th>
<th>No. of cases studied</th>
<th>Total years of service</th>
<th>No. of promotions if selection grade is not promotion</th>
<th>Time taken for each promotion or first promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Secretaries (3)</td>
<td>1</td>
<td>17</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>District Managers (2)</td>
<td>2</td>
<td>11</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Senior Accountants (4)</td>
<td>2</td>
<td>13</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Senior Assistants (13)</td>
<td>4</td>
<td>14</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Managers 'C' grade (7)</td>
<td>3</td>
<td>12</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Stenographers (11)</td>
<td>4</td>
<td>11</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Field Assistants (6)</td>
<td>3</td>
<td>11</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accountants 'C' grade (4)</td>
<td>2</td>
<td>14</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(Source: Data compiled from the office records of Management.

Note: 'One of them was placed under suspension with effect from May 19, 1979. He passed the promotion test, the result was withheld till the completion of enquiry.)
A sound promotion policy adds to the reputation of the organisation because an institution that has the reputation of always filling higher jobs from outside will not attract younger persons of talent. In this context one of the International Co-operative Seminars pointed out: "Co-operatives must have the maximum tendency to grow their own men." It is suggested that the management may also develop a sound and systematic promotion policy.

With a view to removing stagnation and giving a boost to deserving employees, the management introduced in 1980 a new scheme, known as 'Internal Direct Recruitment'. The scheme envisages that after keeping 50 per cent of the vacancies reserved for promotion on the basis of seniority-cum-merit the rest may be filled up by limited competitive examination. This scheme has also been vehemently opposed by the employees. Analysis of the interview schedule showed that 60 per cent of the respondents disfavoured it. However, the management should pursue the scheme vigorously and in right earnest. Suspicions or doubts about the rationality of the scheme and its utility may be removed by holding conferences and informal discussions.


* The relevant question in the interview schedule was: "Do you favour Internal Direct Recruitment scheme"? Yes/No
employees by holding conferences and informal discussions. The management, as already explained in Part A of this Chapter, does not take any interest in the process of follow-up action. It is suggested that the management may take necessary steps to implement the process of 'follow-up' for a proper feedback of its actions.