Chapter IX

Personnel Management

The major objectives of this chapter are to study the important concepts of personnel management including manpower planning, recruitment, selection, training and development etc. It also discusses labour turnover and absenteeism. Further, these personnel related aspects at Sangam Dairy are analyzed and interpreted for clear understanding.

The basis of personnel Management is the recognition of the human personality of the employee or worker, which is rather essential for the maintenance of good industrial relations. Undoubtedly people are the most complex factor in an enterprise or organization. They possess a wide variety of characteristics, perceptions, needs, attitudes and behavioral patterns that complicate organizational activities, which have to be taken into account by a management. It is not enough to merely consider how to employ the technical skills of people. Consideration must also be given to how people will react to how they are being used and they will react to the user. Personnel management deals with these human aspects in an organization.

Definitions:

The field of activities that personnel management embraces is too vast that it has been defined variously by different writers on this subject. The definitions given by Dale Yoder E.F.L.Breach, and Dr.T.N.Bhagoliwal are given below:

“Personnel Management is that phase of management which deals with the effective control and use of manpower as distinguished from other sources of power. The
methods, tools and techniques designed and utilized to secure the enthusiastic participation of labour represent the subject matter for study in personnel administration”.

-------Dale Yoder

“Personnel Management is that part of management processes which is primarily concerned with the human constituents of an organization”.

------- E.F.L. Breach

Personnel Management is that specialized branch of management, which is concerned with solving the human Problems of an organization intelligently and equitably in a manner that not only the employee potentials are developed but maximum satisfaction is also achieved by the individual, the group and the executives or managers and the goals of the organization are accomplished to the fullest possible extent”.

-------Dr.T.N.Bhagoliwal

The definitions of personnel management given above, and also few other not enlisted here, do indicate some basic facts or prominent features of the concept and role of personnel management which may be put as follows:

1. Personnel management is a major part or sub-system of the total management process or system.

2. It covers all levels of personnel in an organization.

3. It is concerned with employees both as individuals as well as a group and aims at getting optimum results with their collaboration.

4. It is a continuing process.

5. It gives due recognition to its social responsibilities.

6. It is concerned with the well being of all members of the organization.
7. It endeavours to maintain goodwill and ‘community feeling’ of the people at work at each level and to attain the established goals or objectives of the enterprise with an animating spirit of cooperation.

Objectives:

According to David Ralph, the objectives of personnel management are stated as primary objectives and secondary objectives.

Primary Objectives:

1. These relate to the production and distribution of goods and services and personnel department helps in the selection and appointment of appropriate persons for the production, sales distribution and finance departments.

2. These relate to the creation by the personnel departments a spirit or cooperation and fraternity among the people employed in the undertakings and attaining individual objectives of the employees by means of various monetary and non-monetary incentives.

3. These relate to the fulfillment of the organization’s social responsibilities.

Secondary Objectives:

These refer to those things, which ensure economical, efficient and effective attainment of primary objectives and include, besides policies and rules, development of ethical and moral values.

Importance:

Although the success or failure of an organization or enterprise depends on an effective combination and utilization of the money, material, machinery and men, it is the management of men, which is most important, and a challenging job since it is a job of
administering a social system. Therefore, the importance of personnel management has been expressed with the analogy of the human body thus, personnel management is not the brain, the controller, nor only just a limb, a member, not yet the blood stream, the energizing force, it is the nervous system. The nervous system can never be thought of as an adjunct of the body no more can personnel management be an extraneous or superimposed element on the structure of an organization. The personnel function lies embedded in the structure, is inherent in the dynamism of that structure and is an integral part of the process of management itself.

Personnel management is inseparable from management. It is not the whole of management but it is a major sub-system in the total management system. Personnel management is constantly concerned with company’s human resources with the way in which these resources are developed and utilized, with the assumptions made about them, with the formulation of personnel policy, with the work force. Management thus is inevitably a people-centred activity since managing people is the heart and essence of being a manager. Quite obviously management of human resources of personnel management is now regarded as a must for successful functioning of an enterprise.

The importance of management is now being greatly realized in the under developed or developing countries like India, of late, it has been emphasized by economic development specialists that provision of capital or technology alone does not bring development. The limiting factor in almost every case has been the lack of quality and vigour on the part of managers. Even in developed countries, analysis of failures in various organizations or enterprises made over many years has shown that a very high percentage of such failures have been due to unqualified or inexperienced management.
In countries like India, newly recruited managers and employees are quite often different from members of the work force they join. They most have different employment experience or no experience at all and they see their work responsibilities and obligations in different light. They may expect more or different factions from their work. However, with the changes in the social climate, values and norms, employees in modern enterprises are certainly better informed and more competent as compared to those employed in the past. While they may, as such, be great assets to the organizations, they are liable to create critical problems if the organization is unable to manage such human resources efficiently and properly. The importance of personnel management is, therefore, being increasingly realized in industrial as well as non-industrial enterprises both in developing and developed countries.

**Functions:**

Dr. T. N. Bhagoliwal gave the following important functional areas of personnel management.

1. **Organizational Planning and Development:**

   Planning is essentially concerned with the distribution of allocation of various jobs to be performed into manageable and effective or efficient well-integrated department units or divisions or positions, exercising effective supervision and control. Established goals of an enterprise can be best accomplished through well-planned and appropriate differentiation as well as integration of necessary departments in a large enterprise. This, however involves that a) the needs of the organization should be determined, programmes should be built, reviewed and evaluated in accordance with the short-term and as well as long-term organizational goals or objectives and policies, technology to be utilizes, the
external environment and the public policy. b) An organizational structure should be planned, developed and designed effectively by fixing the responsibility and authority of employees with a view to accomplishing the various objectives to the fullest extent; and c) various positions and jobs should be divided in a way that healthy and useful interpersonal relationships are developed and cohesive, homogeneous and interacting informal group is informed.

2. Employment:

This includes manpower planning, Recruitment, selection, placement, induction etc. **Manpower planning** is the process of analyzing the existing and potential future vacancies in various departments. Recruitment is the process of attracting or acquiring qualified and competent personnel for various jobs and study of the labour market, identifying existing sources and developing new sources of manpower supply. **Selection** involves development of policies and procedures of selecting and evaluating potential employees in terms of job specifications – application blanks, interviewing, testing, physical examination, reference checks, etc. **Placement** is the assignment of a job to an employee for which he is best suited, taking into consideration job requirements, employee’s qualifications and personality needs. **Induction** is the induction of the new employee to organization history, policies and objectives, to the job, to the supervisor and to other employees in the organization. Besides the above development and evaluation of policies and procedures of transfers, performance reviews and development and evaluation of fair and just promotion policies and maintenance of employee records that may be necessary for transfer, promotions etc. are also of employment.
3. Training and Development of Personnel:

This includes the building and implementation of various training and development programmes for employees at all levels in the organization, with a view to increase their skills and efficiency necessary for effective contribution towards the accomplishment or organizational objectives. It involves identification of training needs, identification of operatives, employees/executives to be motivated for training and development, preparing and conducting short-term and long-term training and development programmes and follow-up action for evaluating the effectiveness of the programmes including formal education, on-the-job training, seminars, refresher courses etc.

4. Wage and Salary administration:

This includes job evaluation, development of a suitable wage structure, and development of incentive plans, motivational techniques, development of an effective communications system and preparation, implementation and evaluation of merit rating plans.

5. Employee Benefits and Services:

This includes formulation, implementation and evaluation of various welfare activities, group insurance plans, provision of pensions, gratuity and other such payments, fringe benefits, ensuring fulfillment of social security and welfare provisions as provided through legislation and provisions regarding health and safety and employee counseling with a view to solving personnel problems of employees.
6. Labour Relations:

This includes collective bargaining, negotiating and administering agreements and contracts, grievance handling, maintenance of discipline, joint consultations and development of healthy and peaceful union management relations.

7. Personnel Research and Audit:

This involves continuing studies on various aspects of personnel relations and personnel procedures and practices with a view to bring about necessary improvement in personnel management. Audit is necessary for ensuring the effectiveness of personnel policies and practices.

Manpower Planning:

Manpower or the human resources or persons employed at various levels, constitute the most important and valuable asset of an organization to be utilized effectively towards the achievement of individual and organizational goals of an enterprise. Planning for manpower in modern industrial organizations, therefore, is considered very important.

Definitions:

Manpower planning has been defined by variously by different expert. Some view manpower planning as concerned principally with recruitment and selection while others recognize that it is concerned with all the major personnel functions and activities. The following are the two important definitions:
“Manpower planning is the process of determining manpower recruitment in order to carry out the integrated plan of the organization.”

----- Bruce P, Coleman

“Manpower planning is the process (including forecasting, developing, implementing and controlling) by which a firm ensures that it has the right number of people and the right kinds of people at the right places, at the right time, doing things for which they are economically most useful”.

------- Edwin B. Geisler

Since manpower planning consists in projecting future manpower requirements and developing manpower plans for the implementation of the projections, such planning obviously cannot be static or rigid. It must be so flexible as to make possible necessary modification, review and adjustments in accordance with the needs of the enterprise or changes in circumstances.

**Importance:**

Personnel management is basically concerned with having right type of people as and when required and improving the performance of the existing people to make them more effective on their jobs. Thus, it starts with manpower planning. As in the case of any other functional areas like marketing, production or finance, the personnel department’s work has also to be planned.

In modern industrial economies, because of rapid economic, technological and other changes, there have been constantly more and more demands for higher and still higher levels of knowledge and skill and in consequence, manpower planning has
achieved a high priority. Since qualified and capable manpower has become largely a scarce resource, adequate manpower planning is now considered a great necessity for long-term survival and desired growth in modern industrialized economies.

Various factors have contributed to the greater importance and concern for manpower planning in modern context, which are briefly summarized as follows:

1. Effective manpower planning can provide the necessary personnel with requisite capabilities, qualifications, skills, aptitudes and work experience in accordance with the changing requirements of any organization.

2. Within all organizations, changes in working people are occurring continuously, people are recruited, others are leaving and still others shift from one position to another. Besides, growth also occurs that increases the need for more manpower with varying skills and competence.

3. Production technologies have been constantly changing and, in consequence, jobs and job recruitments are now changing faster than before as the pace of technical change is accelerated which has made training of existing personnel and injunction of new blood in the organization through formal planning.

4. In industrialized economies, occupations or jobs requiring least skills and educational preparation show smaller growth and those that required more skill and preparation and growing faster, hence planning in necessity.

5. When existing occupations, rising job requirements are shifting the demand for existing categories of manpower to other kinds, which had made retraining a must for many current jobholders. It enhances the importance of manpower planning.
6. Manpower planning is also necessary and important because identification of areas in which there is a shortage of skills is a must. Such shortages are to be made good and surplus personnel has to be redeployed through adequate and effective planning.

7. The increased mobility of manpower resources and the complicated management’s efforts to retain capable and qualified personnel has necessitated effective planning.

8. Growing national concern about levels of employment and effective utilization of available manpower resources has to a considerable extent resulted in the development and promotion of positive manpower policies and adoption of various manpower planning and development programmes.

9. External and internal environmental pressures make effective manpower planning necessary.

10. The growing interest in the total process of management planning has stimulated attention to the need for manpower planning.

**Objectives:**

Systematic manpower planning is a must for every dynamic organization. The most important objectives of manpower planning is the maximum attainment of individual, organizational and national goals.

The objectives of manpower planning may be in general classified as short run and long run objectives. The short-run objectives, for example, may be to recruit or select a particular number of a particular class (scheduled caste) of employees for the purpose
particular type of training for particular positions. The long-run objective may be to introduce a new product, to expand the market or to develop its own sales arrangements.

**Benefits:**

Since manpower planning is concerned with the maximum utilization of human resources, it is of great use at the national, industry as well as the company unit levels.

At the *national level*, it has to be the state responsibility concerned with factors like population trends, economic development, provision of educational facilities, geographical mobility etc.

At the *industry level*, it may be undertaken by trade unions or employers’ organizations.

At the company unit level, it attempts to anticipate its manpower requirements in order to ensure its smooth functioning and attainment of desired growth in accordance with its objectives and policies. If manpower planning is practiced properly and accurately, it helps in increasing productivity, reducing unnecessary absenteeism and labour/employee turnover and achieving other important organization objectives. Despite the fact that manpower planning is relatively a neglected area in the context of our country, few companies that have been practicing it properly have found it beneficial in many ways.
Limitations:

1. If manpower planning is not practiced properly or carefully, it may hinder the flow of work by reducing job satisfaction resulting in lesser production and rising of costs.

2. Manpower plan of a company may suffer from inaccuracy or may not be reliable because of the difficulty of preparing long-term forecasts of manpower requirements accurately due to changes in technology or changes in economic conditions or changes in management philosophies and leadership styles necessitating changes in organization structure or imperfections of the labour market.

3. A problem may arise sometimes when the manager/executive in charge of manpower planning in a company fails to get proper or adequate support of top management for any reason.

   It is thus obvious that the limitations of manpower planning arise on account of the uncertainties of manpower forecasts as well as the methods used in manpower or human resource planning.

Steps in Manpower Planning:

According to S.Taneja manpower planning consists of a number of activities described as following:

1. Forecasting future manpower requirements, either in terms of mathematical projections of trends in or in terms of judgmental estimates based upon the specific future plans of a company.
2. Making an inventory of present manpower resources and assessing the extent to which these resources are employed optimally.

3. Anticipating manpower problems by projecting present resources into the future and comparing them with the forecast of requirements to determine their adequacy both quantitatively and qualitatively.

4. Planning the necessary programmes of recruitment, selection, training, development, utilization, transfer, promotion, motivation and compensation to ensure that future manpower requirements properly met.
Recruitment:

The term ‘recruitment’ applies to the process of attracting potential employees to the organization or company. It is a systematic means of finding and inducing available candidates to apply to the company or enterprise for employment. Since it involves the process of searching for prospective employees, it is concerned with the range of sources of supply of labour or personnel and of recruitment practices and techniques. The recruitment activity in itself the selective or pre-selective, through choosing among the various sources of labour supply and by the decision as to which candidates applying for employment should be permitted to go through subsequent selection or screening procedures.

The recruitment is an important function of personnel administration and a major step in the total staffing process. That process begins with the determination of manpower requirements for the enterprise and continues with inventories of capabilities, recruitment, selection, placement and orientation or induction of new employees. The staffing process cannot be diverse entirely from the process of training and development but these are so extensive areas in themselves that deserve detailed treatment separately.

Recruitment may be relatively simple or, on the other hand, it may be a complex and expensive activity involving promotions from within the larger organization as well as advertising, notifying vacancies to or placing orders with employment exchanges, utilizing sources such as academic institutions and something sending recruiters to distant places to discover manpower with needful skills etc.
Selection:

Selection, as the term implies, involves hiring or picking for placement on jobs a subset of workers from the total set (population) of workers available for hire or placement on jobs. Thus, selection is the process by which candidates for employment are divided into two classes – those who will be offered employment and those who will not.

Selection of manpower is a management responsibility of great magnitude since their commitment to the employees involves long-range benefits etc., and the expected level and quality of their job performance. Individuals different in their ability to perform different types of jobs is very well-known and often because of large differences in such human abilities due to the interaction of heredity and environment, the problem of proper selection becomes a very important one for modern industry or business.

Importance:

There are many reasons for devoting more time and attention to correct selection of manpower today than in earlier years, some of the important ones are as follows:

1. Managers have become better informed and more sophisticated about the complexities of selection and about the various shortcomings and limitations of various selection devices.

2. Managers today realize that it takes a lot of weeding to uncover and identify promising candidates since most selection tools or devices are much more effective in discovering deficiency in candidates than assuring their successful performance on the job.
3. Larger proportion of jobs today requires specialized skills or knowledge for which, ‘raw manpower’ is unable to fulfill the jobs’ requirements – a factor that limits personnel supply and increases selection problems.

4. Managers today find themselves faced with complex rules, regulations and suggested practices because of increasing constraints imposed by public policy in various countries giving rise to many problems in selection.

5. Higher levels of employment and added economic security have made labour markets ‘sellers market’. Potential employees can be more selective about their choices of jobs, hence greater difficulties has to be faced in selection of manpower.

6. Selection today becomes difficult especially when there is absence of proper and adequate job analysis or job descriptions and employee specifications are made only partially.

7. Since induction and training costs have been rising in recent years the only way towards success is to find something better in the selection process. It is now increasingly realized more and more that good investment in human capital (human resources) pays good returns. Hence greater attention and thought is being given to selection.

**Recruitment and Selection Process at Sangam Dairy:***

At present there are about 700 personnel (both workers and employees) working in the dairy. The dairy follows the method of direct recruitment while selecting the candidates for the vacant posts after getting prior permission from the government. Through notification in newspapers, it calls for candidates. The candidates will be selected through oral interview conducted by the interview
board consisting of six men including managing director of the dairy, cooperative
department nominee and government nominee.

**Promotions and Transfers:**

Industrial organizations are dynamic systems in which the positions of
individuals change as time passes. Internal movement of present employees fills
many vacancies in an organization. Promotions and transfers within the
organizations is a widely accepted and long-established policy in various large
and small organizations.

Promotion generally implies the vertical movement or change
in assignment of a position of higher responsibility of an individual employee in the
company. Dale Yoder defined promotion “as a movement to a position in which
responsibilities and presumably, prestige are increased”. According to W.D. Scott,
R.C.Clothier and W.R. Spriegal, “a promotion is the transfer of an employee to a job
that pays more money or that enjoys some preferred status”.

A transfer in the words of Dale Yoder involves, “the shifting of an
employee from one job to another without special reference to changing
responsibilities or compensation”. Thus, a horizontal movement of an employee
in a company, not involving promotion or demotion is described as a ‘transfer’,
which does not involve a material change in responsibility or compensation.

Thus, in promotion an employee will go to a higher position and
enjoys more financial benefits and will be given more responsibilities. But in
transfer, only the employee’s position will change and there won’t be any change
either in his cadre or in his compensation.

The general objective of ‘promotions and transfers’ is to improve the
operating effectiveness of the operation of the company and, as far as possible, to
satisfy the preferences of individual employees, though various types of reassignment decisions may differ in their specific purposes and in the attitudes of employees and managers/executives concerned towards them. According to Jucius, the primary purpose of promotions and transfers is to increase the effectiveness of the organization in attaining its service and profit objectives. Another purpose is to provide an opportunity to present employees for movement to new jobs that may open up new annuls of advancement through greater compensation, personnel satisfaction and prestige or bringing about ‘job enlargement’ by adding the spice of variety to daily routines.

**Promotions and Transfers at the Dairy:**

All the promotions in the dairy will be processed through personnel and administration committee actively working at the dairy. The committee gives promotions based on proficiency and performance appraisal reports relating to the concerned employees.

The dairy follows the following guidelines while transferring its employees from one place to the other:

1. Employees with doubtful integrity should not be transferred.
2. Transfer shall as far as possible be affected with in the jurisdiction of the unit for recruitment or promotion.
3. Generally transfers shall be made only in the months of May and June.
4. No employee shall ordinarily be transferred with in two years.
5. Employees on promotion shall not be retained in the same place.

Sangam Dairy has four chilling centers within the district. They are located at Narasaraopet, Gurazala, Bhattiprolu, and Vinukonda. Employees are transferred from the main dairy to the chilling centers and vice versa. At the time
of transfer, employees are eligible for TTA (Traveling Tour Allowance).

**Personnel Training and Development:**

The ‘training and development’ function in an organization has now gradually become a major activity and an important part of employment costs in modern industrial economies. Today, managements recognize a heavy responsibility for this activity and accept it as a significant opportunity comparable to the effective utilization of material and financial resources. Undoubtedly, no organization can ignore the training and developmental needs of its employees for long time without seriously hampering their effective performance.

**Need, Importance and Objectives:**

Personnel training and development in business or industrial organizations is an important tool for the development of desirable motives and attitudes on the part of both employees as well as management. From the stand-point of employees training serves as an important means for the development of effective or productive work habits/methods of work and in consequence it improves job performance, reduces costs by eliminating wastes or spoilage through a better and economical use of materials and equipment, prepares individuals for modified jobs, avoids unnecessary absenteeism/labour turnover arising out of faulty selection or placement and prevents chances of accidents. It does not only mean increased remuneration of the employees but it also increase, their morale and loyalty to the company by providing them a broader outlook on life emerging from the spirit of self-reliance dignity and self-esteem that develops out of it. It enables employees to develop and rise within the organization.
From the standpoint of management training and development efforts do not simply bring about improved production or achievement of higher standards of quality along with larger quantity but also help managers in building up satisfactory organization structure, reducing employee dissatisfaction, eliminating the need for constant supervision and equip them with capabilities for promotion of cordial and healthy industrial relations through better handling of complaints and grievances.

**Training and Development in the Dairy:**

Every person appointed in the dairy will be kept under probation for two years and he will be trained during that probation period. After successful completion of two years period the employee will be regularized. Employee training is different from management development. The former refers to the training to employees in the areas of operations, technical and allied areas. The later refers to development of employee in the areas of principles, techniques of management, administration, organization, and allied areas.

The dairy provides training to the employees in the following areas:

2. Specific Skills.
3. Human Relations.
4. Problem Solving.
5. Managerial and Supervisory Skills.
6. Apprentice Training.
Labour Turnover:

The Labour Investigation Committee defined labour turnover as, “the rate of change in the working staff of a concern during a definite period. In other words, it is a measure of the extent to which old employees leave and new employees enter the service of the concern”.

Labour turnover signifies the shifting of a working force into and out of an organization and, therefore, it may be described as the rate of exchange in the working staff of a concern during a definite period, labour turnover, however measures the morale of the workers and their efficiency. The higher the rate of turnover the lower is the morale and efficiency. The problem of labour turnover, which is ultimately, the problem of the stability of the labour force needs a serious consideration of all concerned.

Statistically, labour turnover is expressed as the ratio of yearly or monthly separations to the average number of full time workers for that period. It is assumed that the total number of jobs available in a concern is constant. And the number of workers leaving the concern is likely to be the same as those join it.

$$\text{Turnover} = \frac{S}{T} \times 100$$

S = separations

P = average working force

$$\frac{\text{Number of employees left during a period}}{\text{Average number of employees during a period}} \times 100$$

Generally labour turnover is computed in terms of percentage.
**Effects of Labour Turnover:**

Labour turnover is the cause and effect of instability of employment. It arises mainly from dismissals and resignations. However, some amount of labour turnover, like frictional unemployment, is in any case inevitable. Similarly, the natural turnover, which arises due to retirement of aged employees and accession of fresh blood, may not only be unavoidable but welcome to some extent. But higher rate of turnover is harmful to the efficiency of the worker as well as to the quality of production. Moreover, it is a serious obstacle to the complete utilization of country’s human and material resources.

**Causes of Labour turnover:**

There are various causes of labour turnover. Due to ruralism, a constant tendency of migration is encouraged amongst them. On account of rural habitation, and bad housing and living conditions in cities and bad health, old age etc., also causes of labour turnover.

1. **Resignations and Dismissals:** Resignations depend on various grounds such as bad working conditions, bad health, sickness, family circumstances, better job elsewhere and low wages. On the other hand dismissals take place due to inefficiency, misconduct, participation in strikes, insubordination and indiscipline.

2. **Rural nexus of workers:** In addition to the above, the labour force is almost drawn from villages. The rural nexus is also an effective cause of turnover. For going to their villages at the time of harvesting and sowing they resign from their jobs.
3. **Badli system:** In certain industries an additional labour force is maintained in order to meet strikes and other emergencies. Hence to provide work for badli workers many workers are compelled to take leave.

4. **Attraction of higher wages:** On account of higher wages and other benefits, workers migrate from one industry to the other.

5. **Lay offs:** The labour turnover also occurs as a result of lay offs. The employees are laid off by the employers on account of shortage of raw materials or discontinuance of their business due to certain other difficulties.

6. **Discharge of workers:** Labour turnover among the temporary workers is also accounted for by the discharge of workers when a particular piece of work for which they have been taken on is completed.

7. **Unsuitable working and service conditions:** A worker may leave the job in the present factory and seek employment in the other because of unsuitable working and service conditions. Besides, the worker may leave the present job because of inaccessibility of the working place to the workers home, lower wage rates and unsatisfactory opportunities for future promotions and advancements.

**Labour Turnover in the Dairy:**

It is surprising to note that the labour turnover in the dairy is almost zero. Because most of the employees are hailed from nearby villages and towns, better wage and salary packages, good management policies, and better social welfare measures, employees are not interested to leave the organization.

**Absenteeism:**

Frequent absenteeism in industrial concern is a great handicap both to workers and the industry.
Definitions:

According to Dr. T.N. Bhagoliwal, "absenteeism signifies the absence of an employee from work that is unauthorized and unexplained, avoidable and willful".

The term absenteeism was defined in a circular of labour department. Government of India issued to provincial governments, "the absenteeism rate is defined as the total man shifts lost because of absences as a percentage of the total number of man shifts scheduled". For calculating the rate of absenteeism it requires the number of persons scheduled to work and number actually present. Thus, absenteeism can be estimated as follows:

\[
\text{Rate of Absenteeism} = \frac{\text{Number of total man - Shifts lost}}{\text{Number of total man - shifts schedules}} \times 100
\]

For the purpose of calculating the rate of absenteeism, 'absence' has been defined as," the failure of a worker to report for work when he has schedule to work". A worker is considers as scheduled to work when employer has work available for him and the worker is aware of it. Authorized absence is also treated as absence while presence for a part of the day or shift is treated as presence for the whole day or the shift. Absence on account of strike, lockout or lay off is excluded.

Effects of Absenteeism:

Absenteeism hinders industrial growth and its effect is two fold.

Firstly, due to irregularity in attendance, workers income is reduced to a large extent. It is because there is a general principle of 'no work no pay'. Thus the time lost in terms of absenteeism is also a loss of income to the workers.
Secondly, the employer has to suffer a great loss due to absenteeism. It disturbs the efficiency of discipline of industries; consequently, industrial production is reduced. In order to meet the emergency of absenteeism and strikes, an additional labour force is also maintained by certain industries. On such occasions, those workers are employed who present themselves at factory gates. They are adjusted in place of absent workers. This adjustment brings serious complications because such workers do not generally prove themselves up to the mark. Hence, absenteeism is an evil both for the workers and the employees, and ultimately if adversely affects the production of industries.

Causes of Absenteeism:

Various causes are responsible for the prevailing high rates of absenteeism among the industrial labour in India. Some of the reasons for such absenteeism may be genuine but others are not so. However, the following are various causes of absenteeism.

1. Sickness: Sickness is one of the important factors, which is responsible for absenteeism to a considerable extent. Bad housing and working conditions, poor diet and unsanitary conditions of living make them an easy prey to many epidemics like small pox, malaria, cholera etc. Therefore, when they suffer from epidemics as well as from various diseases, they are naturally forced to remain absent from their work.

2. Shift system: The next reason for absenteeism i.e. shift system. Generally, workers want to be at home at nighttime. Therefore, in comparison to the day shift, percentage of absenteeism is higher during the night shifts.

3. Rural Exodus: The most significant cause of absenteeism is the rural exodus of industrial worker. Our labour force is almost drawn from rural areas. They are not entirely diverse from agriculture. To them, industrial work is simply a source of
additional income. Therefore, they discontinue services at the time of harvesting of crops and sowing of crops. Besides, due to housing problem in urban areas, workers generally leave their families in their villages. They have to keep in touch with their members of family. Further more, they have to visit their villages to certain social and religious ceremonies. Thus, the frequent urge of rural exodus is yet another cause of high rate of absenteeism.

4. Industrial Accidents: Accident is also a cause of absenteeism. Due to defective arrangements in industries, lack of skill and training of workers, accidents generally occur. On such occasion, therefore, a worker remains absent from his work.

5. Bad habits and lack of responsibility: Some workers also remain absent on account of their drinking and gambling habits. Consequently, the degree of absenteeism is greater just after pay. It is because on such occasions, some workers spend their money on gambling and drinking and ignore their duties. On the other hand, those who are not indulged in these bad habits, generally go their villages to make purchases for the ensuing month.

6. Behaviour of foremen and jobber: The misbehaviour of foremen and jobber is also responsible for absenteeism, workers want sympathetic behaviour from their immediate supervisor. Therefore, in the absence of sympathetic behaviour, workers ignore their duties and remain absent.

Absenteeism in the Dairy:

Except security staff, all the employees in the dairy are working under permanent basis. The researcher observed that the absenteeism in the dairy is very negligible. Normally in the first week of every month some employees may apply leave to make purchases for their families, which results little absenteeism in the dairy.
dangerous foams. The dairy also takes all necessary steps to avoid fire accidents in the factory.

5. Welfare Measures: The following are the welfare measures taken by the dairy.

   a) **Housing facility**: Sangam Dairy is providing residential quarters to most of its employees, which are located in the dairy premises. There are four types of quarters viz., A, B, C and D, and they are allocated on the basis of the cadre of the employees.

   b) **Leave Travel Concession (LTC)**: The dairy provides LTC to its employees who completed 5 years of service. This facility is given to an employee once in every two years.

   c) **Support to Education**: The dairy provides education assistance to an extent of Rs. 2000 to the employee to educate his/her children who is below the rank of assistant manager.

   d) **Loans**: The dairy provides loans to its employees to the extent of Rs. 15,000 and Rs.25,000 to meet the marriage expenses of their son and daughter respectively at an interest rate of 14 per cent.

   e) **Festival Advances**: An amount of Rs.2,000 will be given as festival advance once in every 12 months to all employees, which can be recovered in 10 equal installments without interest.

   f) **Hospital Facility**: The dairy is providing an ambulance room and maintains ambulance van. There is a qualified doctor in the premises to serve the needy workers.

   g) **Canteen Facility**: The dairy started a canteen in 1986 and it has been serving the needs of the employees on subsidized rates.
h) **Uniforms:** All the employees in the dairy are provided with two pairs of uniforms per year at free of cost.

i) **Rest Rooms:** The dairy provides suitable shelters, rest rooms, reading room and suitable lunchroom for its employees.

j) **First Aid Appliances:** The dairy provides first aid boxes in convenient places at production and engineering sections.

k) **Celebrations:** The dairy organizes the dasara festival celebrations at its campus every year. In this connection several competitions are held and prizes are distributed to the winners.

l) **Family Planning Incentive:** The dairy introduced an incentive scheme for its employees who undergo family planning operation. Seven days special casual leave with wages, one advanced increment will be given to the employee. In the case of female employees, 3 months maternity leave will be given.

m) **Employee Cooperative Society:** The dairy is organizing an employee credit cooperative society to cater the financial needs of its employees. The society grants loans to its employees who complete a minimum service of 6 months.