CHAPTER - II

REVIEW OF LITERATURE

In any organisation, the test of quality of its personnel management lies in the spirit of its business and the morale of all concerned with it.

Personnel management as a discipline of management science is an offshoot of the HUMAN RELATIONS SCHOOL which took into consideration the workmen's feelings, desires and relationship with one another in enhancing productivity. Mayo Elton\(^1\) proved in 1924 that some unmeasured force was constantly pulling up the output of a group. It was the attitude of the members of the group, that is: how they felt about their organisation, their work and their colleagues - increase in their contentment, decrease in their absenteeism - and an atmosphere of complete trust which led to, increased productivity, ultimately in the group/organisation.

As the field of personnel management is comprised of so many complex as well as interrelated factors, the

The researcher felt the need to study such literature on the subject, published by many authoritative personalities on the subject. The said study resulted in the following interesting revelations.

Studies conducted by Maslow\textsuperscript{2} assert that human beings have hierarchy of needs. He analysed the effects, physiological needs, safety needs, social needs, egoistic needs and the needs of self fulfilment and concluded that when these needs are neglected in industrial settings, hostility or reluctance to accept responsibility by the workmen will be the end result. This assertion makes it clear that people cannot be treated as a commodity and means to achieve the ends of the organisation. They should be satisfied so as to obtain sustained and consistent efforts towards organisational objectives.

To make the organisation efficient there is need to balance workmen's expectation and organisation's needs.

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'M.S.S.Varadan\textsuperscript{3} maintains that people in organisation look forward to good salaries/pay packets, promotion potential, sense of achievement, conducive working condition, job security, freedom of self expression, challenges and supportive supervision. Their needs may vary from person to person, but what matters is to match these with organisation’s needs like high quality work; consistency on output; commitment to the organisation’s objectives; loyalty to the company; conformity; co-operation; and creative ideas.

\textsuperscript{4}Yoder and others studied the effectiveness of human relations programme in improving employee morale and motivation. They were of the opinion that an improved three way communication helps in treating the workmen as a total personality and not merely as an economic factor.


Peter Drucker\(^5\) maintains that attending to routine chores like recruitment, training, safety, social service, welfare and amenities, administration of wages, salaries, etc., should not be the only function of personnel management. Though a necessity, it is a restrictive concept and attention only to routine chores by the personnel manager does not make his job dynamic or successful.

R.K. Shankar\(^6\) connects organisation's success to manpower planning. He says that an organisation can be successful only, if it has an adequate, capable, experienced, trained and efficient personnel. He suggests to recruit, select and place the right person in the right job. In other words 'right person' in 'right place' is the dictum.


Sloane and Witney have rightly observed that one of the primary bases of the science of personnel management is the development of techniques and procedures that have at their core a sympathetic consideration of employees problems.

The importance of enlightened labour-management relations has been aptly recognised by Sayles and Strauss. The present day personnel manager however, cannot depend upon some narrow methodology with easily quantified factors. In providing assistance to his clients to those who have entrusted him with the responsibility for aiding in the solution of profound and significant problems he must be willing to consider all the factors in both the problems and the solutions as well. This means using unquantifiable skills, such as sensitivity, empathy, judgement, and wisdom as well as


formal evaluation of goals and needs of the organisation and also its employees.

A proper role of personnel manager is rightly stressed by S.Srinivasan when he suggests that "the personnel manager's role is not just to see to it, that there is no labour problem or statutory violation in the organisation. Personnel management should breakaway from the fear of or hostility to unions. The positive and dynamic role to be played by the personnel manager is one of leadership of men and not containment of employees".

P.Ghosh referring to Hawthorne experiments suggests that an individual is not merely a physical and economic organisation. His personality embraces social, spiritual and psychological functions. The


management in making the effective utilisation of personnel must be considerate of multiplicity of interpersonal relationships. The success of management in the performance of its functions in respect of its personnel will depend as to how successfully it moulds the human resources to accomplish the organisational objectives.

Integrating of employees into organisational purposes by the personnel executives has been stressed by Venkatratnam and Srivastava. They maintain that personnel executives should express concern and take up activities that integrate rather than alienate employees from organisational purposes and focus. Employees feel the need for a trade union to protect their interests because personnel policies and practices in organisations are usually not adequately geared to make employees feel that the management genuinely cares for them. The role of the personnel executives then is to develop employees as

partners in the firms and not as adversaries, and make the organisation see its workforce as a friend and not as an alien.

Mrs.K.R.Gowri Amma, ex-industry minister of Kerala, in her key-note address, in a seminar on workmen's participation, endorses this partnership saying "the management and workers are partners in industrial progress and prosperity". She suggests creation of right environment in industries to ensure maximum utilisation of scarce resources for common good.

Describing the workmen's alienation in Indian industry as a serious management problem, N.Upadhyaya


suggests some concrete measures to revitalise the workmen's attitude as under:

2. To make effective workers' education programme.
3. Reducing the outsider element in trade unions.
4. Delinking politics with trade union.
5. Establishment of R & D in the field of management.
6. Proper communication.
7. Proper leadership.
8. To enforce accountability on the managers.

He further adds "we need to have continuous approach and study situation - not by legislation alone but by involvement and team effort, comprising of the representatives of employers, employees, and more fruitfully with the association of every worker".
Aditya Birla, while listing key factors for success in Indian business environment suggests that the major investment should be made in selection, training and building up of people. He adds "your men will be as loyal to you, as you are to them. One must have the forbearance, fortitude and a large heart to bear the losses in the training of the people".

Dr. Rastogi emphasising the need for professional managers to act as 'engine of growth' exhorts to develop 'creativity' in personnel management. He says "we must develop creativity in personnel management on broad canvas of total management. The frontiers of our discipline have to be broadened and deepened so that diversification in our discipline takes place without any 


let or hindrance. We must pitch it on the right key. As personnel managers of professional efficiency, we must realise that creativity in management goes a long way in the growth of our profession”.

Avinash Rage, while discussing the ‘Impact of HRD on Industrial Relations’ emphasises the need to develop the human resources in terms of their knowledge, skills and attitudes. He further adds, knowledge and skill can be improved by training, but change of attitude is not a matter of a ‘one day seminar’. It has to be perceived, experienced and reciprocated. Like change in any other area, change in attitude is a continuous process and takes a long time and considerable amount of patience. If training is the soul of HRD, positive attitude is the soul of IR (Industrial Relations)”.

Stephen Holoviak and Sipkoff Susanstone in their study have proved that the greater the percentage of management officials exposed to training programme, the higher the productivity.

For industrial harmony and peace N.Venkateshiah suggests 'one union - one industry'. He blames multiplicity of trade unions and their linkage with political parties for industrial conflicts. C.Subramaniam also advocates the same views. He says "the curse of the labour movement in our country is the multiplicity of labour unions and the linkage between the labour unions and political parties".


18. N.Venkateshiah, President of Karnataka State Employers' Association in his presidential speech at 28th general body meeting of Karnataka State Employers' Association.

C.M. Muniramappa and D.V. Giri emphasize on proper orientation and education to union leaders to improve their understanding of the need to adopt modern practices and accept new culture in Industry.

P.N. Pandey, Vice Chairman of the Calcutta Chapter of Quality Circle Forum of India and Deputy General Manager of Telco contends that improving productivity calls for improvement in quality of work and betterment in the quality of the workers' lives.

S.K. Bhatia foreseeing the personnel function in 21st century, maintains that skills will become obsolete within a few years because of rapid technological changes. Training and development activities will be required to prevent workers' obsolescence.


O.P. Gupta stresses the point that a sound personnel programme and the policies and procedures that implement this programme effectively must be established by management to achieve the organisational goals. He further opines that mere fact that a programme is established is no guarantee that it will be carried out. Therefore, he suggests a periodic personnel audit or appraisal of personnel programme of a concern.

C.V.S. Rao, P.D. Kimothi and A.R. Gardner advocate "fair wages". They opine that fair wages not only will improve the Industrial relations but also motivate the workforce for a better prosperity of the industry. They say "productivity is obtained by machines but it is


governed by the persons on the job. Unless they are satisfied, no developmental plans can be implemented".

Luck opines that personnel appraisal is a thermometer to determine the health of the personnel programme in a company. Appraisal of the personnel function serves as a control tool to budget the personnel programme effectively. This calls for a scientific approach in its evaluation. Personnel audit may be regarded as a systematic analysis of all the factors involved in personnel management with a summarised statement of the findings followed by recommendations to correct or change various activities of the personnel programme of a concern.

Employee participation in management has been successful in developed countries like Japan though practical difficulties come in the way of its

implementation in India. But this novel management-employee relationship has been advocated on some basic considerations by Venkatratnam and Srivastava. Participations as a conscious and deliberate choice in designing human systems has come to be recognised as a predominant value in most social systems, not only because participative designs of social systems create conditions conducive to the release of human potential and constructive use of human resource, but also because it enhances through collective action, the quality of life of people at work and in the community. For the best in man to come out, it is necessary for him to know why he is doing certain things and not the others, and participation is precisely a quest towards the end.

M.S.Dharmaraj on workers participation in management suggests that the government, the employer


and the employees and trade unions should come to clear understanding on the following issues to make participation effective:

a. Equal partnership through various functional joint management councils.

b. The issue of voluntarism.

c. Separating or integrating specific programme, components under mandatory bargaining subjects.

d. Written guarantees on jobs.

e. Orienting worker groups to issues relating to production, productivity, profit, customer satisfaction, gainsharing and macro economy rather than confining their interests to the limited area of "creature comforts" and "environment".

f. Watchdog role of trade unions on programme implementation.

g. Gainsharing plans etc.
"The concept of worker participation can take concrete shape only on the basis of a more congenial atmosphere. No fruitful participation can be achieved so long as there is psychological barrier between management and labour", suggests C.V. Pavaskar.²⁸

K.S. Ramachandran²⁹ has referred to "Life time employment" practice in Japanese industrial units which though started before World War-II has become a feature in the present day Japan. The life time employment system or more appropriately 'career long employment' entails hiring inexperienced college or high school graduates, training them and keeping them on the payroll until retirement. Under this system, company hiring a workman accepts its obligation to do everything in its power to keep that workman on its roll.

The complexity of personnel management is well described by Neelmani Bharti. "The management of Industrial corporations has increasingly become professionalised. The family managed form of business organisations has been supplemented by non-personalised professionally managed organisation. The complexion and composition of workforce also has changed.....the present day worker is quite aware of his rights and duties. The size of industrial plants has also grown so that hundreds of workers are found working under a common roof. All this has made personnel management a complex affair, which requires a different approach and skill to tackle it than run off-the-mill western university course".

He further adds "The problem and solution of personnel management and industrial relations is so vast that no behavioural scientist can suggest a panacea for all the ills in management problems but can offer an

insight into practical significance of the management which can only be perfected by managing and learning by the process of trial and error. It can be acquired by performing according to and operating through the systems of management tailored according to the needs of both the employer and the employee".

Thus, from the authoritative opinions of various eminent persons having thorough knowledge and practical experience of personnel management, we find that the field of personnel management encompasses various activities, like recruitment, wage administration, organisational discipline - encouraging employees to participate and take care of statutory compliance, welfare - caring for employees' needs and their family welfare, training and development, motivating, maintaining industrial relations and public relations with employees, safety practices, educating the workforce and making them aware of theirs as well as organisational goals, making them partners of progress and prosperity of
the organisation etc. It is in this sphere that the profession of personnel management is playing a dynamic role and is now being given due importance in corporate philosophies / strategies, quality aspect, customer satisfaction aspect and even in production process.