### CHAPTER III : THEORY OF PERSONNEL MANAGEMENT:

ITS IMPLICATIONS FOR SMALL SCALE INDUSTRIES.

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A worker may be working in a large scale industry or with a small scale unit, the basic needs of an human being is money to provide him with, a house, food, clothing, welfare and security for the future. But all the human beings are not able to achieve the same equivalent facilities.

Again all companies are not able to fulfill the very bare demands, as this depends upon the productions, sale and indirectly on the growth and the salary structure of the employees.

For example a canteen and a means of transport is a must for all the industries, yet all the units cannot provide the same. The facilities endowed upon the workers differ from industry to industry.

Hence it can be concluded that attention to the personnel functions in any firm is one of the most important factors which should be handled with utmost attention in any organisation which is keen to continue its life and likes to develop itself. The notion of the small scale units manager is that as they are a small scale, they do not need a personnel manager or a personnel
organisation, and accordingly as such a need does not exist, so the personnel engaged with them is regarded negligible and automatically they conclude that they are exempted from this responsibility and hence avoid to spend time and money on this issue.

But it is a fact no body can deny that the personnel functions such as recruitment, selection, training, salary, wages, (bonus too) job description, communication, personnel policy, working conditions, motivation, promotion, etc. etc. are as necessity for any organisation regardless of a personnel department or a personnel manager exists or not.

Among the above mentioned functions, the ones I have selected for my study are given below. Not that the other functions are to be ignored, but I think I have chosen the ones closely related to my topic regarding the personnel aspects of small scale industries, the other functions too, have been given due thought but in a minor way. The selected functions are:

1. Manpower planning.
2. Employment: (Recruitment and selection).
3. Training.
4. Wages and salary administration.
5. Bonus.
6. Promotion.
7. Safety programmes.
8. Working conditions.
10. Absenteeism, and
11. Personnel Policy.

In this chapter the above mentioned functions will be discussed, defined and elaborated systematically in general and with reference to Small Scale Industries.

3.2 MANPOWER PLANNING:

The success of an organisation or its failure depends upon as to how its manpower is planned and effectively exploited to yield maximum potential growth both for the individual and the organisation. This is one function, which cannot be taken lightly.

An organisation's performance and productivity is directly proportional to the apt quantity and quality of its human resources, and these resources should be tactfully motivated in achieving the objectives predetermined by the organisation; for the progress of the individual and the organisation ultimately.
Manpower management not only has to manage the right category of people available, but also has the extra burden of improving the performance of the existing personnel to be more effective on their jobs. Thus manpower management requires serious thinking and right steps to be taken in manpower planning direction.

This manpower planning is a major and vital responsibility of the management; for on this rest the future of all; the employed and the employer. This responsibility is properly achieved; other functional areas like, planning production, purchase, finance, personnel department and other functions work smoothly with no critical break­ups in the working pattern, and therefore job satisfaction is acquired and achievement of goals does not become an impossibility.

To highlight the above mentioned ideas, L.C. Megginson quotes manpower as "the total knowledge, skills, creative abilities, talents and aptitudes of an organisation work force, as well as the value, attitudes and benefits of an individual involved. It is the sum total of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the employed
persons." (1) The manpower planning is "the process by which management determines how the organisation should move from its current manpower position to its desired manpower position. Through planning, management strives to have the right number and the right kinds of people, at the right places, at the right time, to do things which result in both the organisation and the individual receiving the maximum long-run benefit." (2)

According to wickstrom, manpower planning consists of a series of activities, viz; (3)

a) Forecasting future manpower requirement either in terms of mathematical projections of trends in the economic environment and developments in industry or in terms of judgemental estimates based upon the specific future plans of a company;

(1) Megginson, Leon C., Personnel and Human Resource Administration, 1977, P.4


b) Making an inventory of present manpower resources and assessing the extent to which these resources are employed optimally;

c) 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; and

d) Planning the necessary programmes of requirements, election, training, development, utilisation, transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met.

It can be concluded that manpower planning reflects the future manpower needs and enhancing the abilities of manpower for implementation of projects to achieve the set targets of an organisation.

This policy of manpower planning has to be a flexible one, in accordance with the needs and the evolving circumstances; or rigidity in this section is not feasible.

Manpower planning screens a double spectrum, one of brightness and the other is dark. The brighter side radiates progress of the human resources and the organisation too; as it reflects maximum use of human
resources; reduces unwanted labour, the production grows, and helps in achieving the targets set by the organisation.

The darker side shows, a regress, a disorder in management, no achievements in goals, lower production, less or no-job-satisfaction, high expenditure, and constant problems for the management personnels.

Neglection of manpower planning can lead to be fatal for an organisation. It is as vital as production planning, marketing or financial investment. Thus a detailed planning in this field, leads to a well organized manpower; which leads to the growth and further growth of the organisation.

3.3 METHODS OF MANPOWER PLANNING:

As manpower planning is the structure along which future manpower needs at different levels is forecasted in an organisation by predicting and establishing future needed manpower to be recruited; this planning of manpower includes a positive foresight, and programming; anticipating changes, and requirements and adjusting and preparing to meet the needs as they occur.

The usual four methods involved in determination of
the needs of the personnel are (1)

i) annual estimate of vacancies;

ii) long-range estimates of vacancies;

iii) fixed minimum man specification requirements and

iv) specific position estimations;

The top brass of an organisation including the management team and the directors must scrutinize their organisation layout and its efficiency for the assigned functions, further more they should look into its capacity to accept and adopt changes forecasted in the forth coming future.

This analytical audition is inclusive of the current vacancies and probable changes in the organisation's personnel in near future.

3.4 OBJECTIVES OF MANPOWER PLANNING:

In effect, the main purpose is one of matching or fitting employee abilities to enterprise requirements, with an emphasis on future instead of present arrangements. (2)

(1) R.S. Davar

According to Sikula, "the ultimate mission or purpose is to relate future human resources to future enterprise needs so as to maximise the future return on investment in human resources" (1)

The objective of manpower planning can be divided into short-term policy and long-term policy.

In the short-term approach could be hiring of persons from scheduled tribes or backward class for training purpose.

The long-term approach may be to start a new division, a new industry, to expand marketing forces, develop the market sales by a new approach or introducing a new product, to develop one's own sales force rather than depend on the distributors, or to have minority group members in positions of middle and upper management levels eventually.

However the two main objectives of manpower planning can be summed up as:

1) To utilise the present employees fully; and
2) To fill future manpower needs.

3.5 MANPOWER PLANNING IN SMALL SCALE INDUSTRY:

Whatever ethical and efficiently defined theories are projected previously goes erratic in implementation in the true sense in an Small Scale Industry.

It can be said that in more technically advanced countries, manpower planning factor is not totally ignored; some small scale industries do take an initiativeness in this field and accept cultured people for the appropriate positions; keeping in mind the future expansion plans of the organisation.

In India too, some small scale industries have been careful in choosing their manpower and because of its foresightedness have grown into colossal units.

But it has been noticed that most of the Small Scale Industries tend to ignore this issue as an un-important factor which implies mainly to the larger organisation.

It can be understood that the bigger organisation requires a lot of time and brains to structure out its manpower; and may involve a couple of months; but in a Small Scale Industry if serious thought is given, at the most a couple of hours or a day or two is enough to line-out its requirements.
Then comes the implementation of the same into factuality, which again many Small Scale Industrialists know their requirements but fail to acquire them for lack of budget or ill-planning.

In Small Scale Industry it is a one-man show, where one man has to do planning, marketing, handle labour problems and finances etc. If the same can be achieved by efficient team-work. The job burden is lessened, efficiency is increased and so does the quality and quantity of productivity.

But all this require the right type of manpower planning, the right type of a man for the right type of a job, which sadly is miss in majority of the Small Scale Industries leaving aside a few of them.

3.6 EMPLOYMENT (RECRUITMENT AND SELECTION):

RECRUITMENT

Employing apt personnel for the particular job plays an important role in accumulating the best; and "RECRUITMENT" is the initial step in procurement of the required manpower.

The term "RECRUITMENT" applies to the process of
motivating potential employees to join the services of a company. It is a pain-sticking, systematic procedure of finding and inducing candidates to apply to the company for employment; and in the course, prove their abilities to secure the job they are seeking for. This is the vital and a major step in the total staffing process.

As quoted by Yoder recruitment is a process to discover the sources of manpower to match the requirements of the staffing schedule and to utilize effective means of attracting that manpower in sufficient numbers to permit adequate selection of an efficient working force. Recruitment, moreover, is a continuing function. (1)

Recruitment needs serious planned strategies; set-up according to the job requirement by experts; and only after filtering the candidatures abilities; the selection board can narrow down as to whom to recruit.

It totally depends upon an organisation procurement system of manpower to employ men in what quantity and quality.

If a particular organisation does not succeed in procuring people of the required quality in the course of time; a saturation point of a break down in the system can be anticipated; and in due time start loosing the cultivated experienced workers.

But to keep the enthusiasm and just alive in the already recruited persons; can be derived by planning and implementing new training and development systems. Thus the calibre of the personnel can be polished and enhanced.

But to create quality of mediocre personnel is a sheer impossibility, even for the best training systems; as they may not be made for it. Quantity is not the issue, though it may be gathered over a span of years; it is the mettle required for the particular job; that is what is of importance.

Hence recruitment has to apply a range of sources of labour, and of recruitment practices, and techniques.

Recruitment being the vital foundation stone; and which the final success or failure of an organisation stands upon; cannot be taken lightly for were there to be a flow in the recruitment system; changes of employing inefficient personnel increases, which reflects on the out-
put; and hinder the future growth of the company; a lot of money and time wasted.

It would be best to have a water-tight system, that recruit persons, who are an achievement by themselves for the organisation.

The main objectives of recruitment is to have matching of man of the job. In any industry before recruitment process start, the job analysis should be finalised (which is bound to differ from company to company). The job analysis will depend upon the existing and the potential requirements as located by the departmental head and finalised by the personnel department. Since job analysis is the basis of the process of recruitment, special care should be taken in designing the job analysis and updating the same.

3.7 RECRUITMENT SOURCES:

The main sources, usually implemented by any company can be classified into two forms; i.e. Internal and External.

3.7a INTERNAL SOURCES

This relies on the present employees already on the payroll of the company. The involved personnel is either
This internal way of filling a vacancy has its own advantages and disadvantages. The advantage being in the morale boost up of the employees as a motivating factor; again the chosen person can be selected only after scrutinizing his loyalties, dedication and required skills. And a work test is the best test.

But the disadvantages too exists; as the internal man may be restricted to the usual company's out-look; and may lack in a new initiative approach which can be an additional aspect in an outsider, which is much needed in to-day competitive economical out-look.

3.7b EXTERNAL SOURCES

The most commonly used sources to captivate the attention of the potential candidates are given below:

1. Advertisement in newspaper.
2. Adhoc system.
5. Institutes of Education.
6. Friends and relatives of existing employed hands.
7. Direct approach of outsiders.
Selection is a term; used here for picking out an individual amongst a group of candidates competing to gain the position by superceding others via their abilities and capabilities, who have applied for the vacancies in the company.

In the process of selection, the name of a potential candidate hardly counts; it's ultimately the candidate who successfully manages to get through the tests put forth by the selection board counts.

A hand may be hired; only after summing up the job requirements, and the qualifications of the applicant.

As this process involves an attempt to find the add ones out and pick the right ones; there is a hit and miss system. There can not be a rigid system involving the same subject; as we are dealing with human beings and every personality is a different one.

Thus the selection system varies from company to company, the job requirement and the philosophy of the management.

According to M.J. Jucius, the selection procedure is the system of functions and devices adopted in a given
organisation or enterprise for the purpose of ascertaining whether or not candidates possess the qualifications called for by a specific job or for progression through a series of jobs. The procedure cannot be effectively placed in operation until three major steps have been taken viz.

1) requirements of the job to be filled have been specified,
2) qualifications candidates must possess have been specified, and
3) candidates for screening have been attracted.

When these steps have been completed, it is the task of selection to match the qualifications of candidates with the requirements of the job. Undesirable candidates are screened out and the qualified retained. (1)

Basically the main purpose of selection is to judge the qualities of the candidatures; and weight the abilities of the same in comparison to the job requirements; and then use deductions to zero on to an apt candidate.

(1) Dr. T.N. Bhagoliwal
Economics of Labour and Industrial Relations.
The main steps involved in choosing the right person are given below;

1. Screening.
2. Interview.
3. General knowledge and trade tests.
4. General intelligence and aptitude tests.
5. Psychological tests.

By this we deduct that recruitment is the right approach while on the other hand selection is a negative process.

The selection function can be a success only if a group of qualified persons are picked up from within or outside the company or through the recruitment process.

3.9 THE OBJECTIVE OF RECRUITMENT AND SELECTION:

The aim to be kept in mind in recruiting and selecting personnel is that; the selected and recruited individuals should be apt in their work and it would be at the minimum wages; hence enlist candidates of calibre without taxing the budget of the company.

Again two main points of importance should be needed; and these two category of candidates should be
avoid while recruiting:

1) Sub-standardly qualified personnel; who while suffer from frustration because of his incompetence and may have to be terminated by the organisation.

2) Over-qualified persons; who will have restricted boundaries to move about; and will not be able to tap their abilities and capabilities; as the superiors like to have smart sub-ordinates but hate over smart ones.

Again this atmosphere will lead to frustration and job-dissatisfaction. Its like putting a square peg in a round hole.

These persons give returns only when elevated to a higher position.

3.10 RECRUITMENT AND SELECTION IN SMALL SCALE INDUSTRIES:

Earlier the ideal methods of recruitment and selection was outlined, but the methods employed by the Small Scale Units is way out of the theory.

The manager (owner) of the Small Scale Industry has a lot of things on his hands demanding his prompt attention; hence they do not devote much of his time for
recruiting and selecting a person; they settle for anyone who is somewhere near their expectations; which results in employing in apt persons or over-qualified ones, who have joined out of sheer necessity.

If there were to be a proper judgement of candidates and find the proper person for the proper job; it would be just fine, but many a times a job is created for the over qualified man; which would be a wrong move on the side of the management.

As the pay pocket is low in S.S.I. and the benefits are not enough for an employee; the persons employed are usually dissatisfied and frustrated, which reflects in their output, and taxes the organisation.

A standard media must be created for an advertisement of a vacancy, a plan outlined for selection, intelligent quotient tests with psychological ones be devised for selecting a candidate. And after a personnel interviews using personal judgement be utilised in recruitment of a candidate.

But these points are ignored; haphazard recruitment is done; and many a times just walks in a Small industry and inquires about a job, and acquires one. At times a
relative of an employee is enlisted, sometimes the friend or relatives of the owner are enrolled just because they are known to the employee or the employer. Few Small industrial units use newspaper to advertise their requirement, fewer still approach an employment agency; And no one goes through a well organised permeable test and systematic method to allow apt candidates to filter through, to get the right man for the right job. They get a raw man and try to cut him to fit the job, so losing time, money and the man himself.

Again analytical deduction points out that the Small Scale Industry have limited scope of functioning sphere, and are not keen to organise and exploit external sources; Therefore they have no alternative choice than to fall back on the internal sources to fill up the vacancies, which according to their circumstances suits their requirements and is more easy to cope up with.

Hence they rely on their already employed personnel who already know the circumstances, and atmosphere of the unit they are with and only after analysing these situations will they introduce another person they are acquainted with; and again indirectly they stand out as an guarantee for the person they are introducing to the organisation.
The same goes for the people enlisted through the relatives and friends and as the requirements of an Small Scale Industry are not as large as that of a large scale one; a personnel with even some flaws is recruited, as more skilled and experienced personnel is always grabbed up by the bigger companies.

At times the management of S.S.I. enlists candidates out of plain necessity, where quantity is required; and try to mould them according to the job requirements; few survive, while others drop-out or are terminated over the course of time.

Sometimes over qualified persons join and try to run the show according to their thinking; which results in clashes with the management, the workers; leading to frustration for all.

Usually the S.S.Is. are engaging persons, who accept their salary structure, give maximum of their abilities in the lest pay. And in the long run loose these employees to bigger companies.

Hit and miss methods are utilised by the S.S.I. some-how they have a prejudiced mind that the person employed with them will not remain faithful for long, and
this leads to inconsideration towards the employees which has a boomerang effect.

With this mentality the owners select persons as and how they come but suiting their planned. Salary structure, and the candidates too join to gain time and experience till they get a better opportunity to migrate.

However the major S.S.Is. face a chaotic situation created by their ill-planning or no planning at all in the recruitment and selection of their employees.

3.11 TRAINING:

Training is a function, which is implied after the selection and the enrollment of a candidate. This is a function which when properly implemented can increase the calibre and quantity of the productivity, saving valuable time and avoid unnecessary wastage; and it also reflects upon the considerate management who have the best of the company and the employee at heart.

It is but common knowledge that a skilled person can always give better results in a shorter time, with lesser rejections; and chances of accidents can be lessened. While on the other hand an untrained hand can cost the company a lot of time, money and even the quality of the
finished product is sacrificed.

With the complexity of the machines increasing; operating such equipment does need trained personnel, where 'raw' personnel will be unable to contribute as per expectations of the organisation.

If the organisation has a sound sight to grow, it has to plan out a training system and put it into action for the best of all.

Therefore to plan out a training system an organisation should determine its needs and objectives. A purpose should be set forth to train its employees to meet the company's goals at all levels of the organisation, and to cultivate requisite knowledge, attitudes and skills among its trainees.

After this the aim and range of the training programme should be defined before its implementation, to as to acquire common affirmation and positive cooperative action towards it.

Again the training programme should not be a round about system, it should be directly proportional to its needs and objectives.
One should not ignore the purpose of the training system; and that is to assist line management in determination of training needs and in the development, administration, conduct and follow-up of the training plans.

For a training programme to be a success it must use the tested principles of learning, and training should be conducted in the actual job environment to the maximum possible extent.

Therefore we can say "Training" is the organised procedure by which people learn knowledge and/or skills for a definite purpose. (1) Or we can also quote Saksena as "Training" is the process which tries to increase the knowledge and skill of the employee, thereby making him better equipped to perform his job or take up greater amount of responsibilities. (2)

(1) Dale S. Beach
Personnel : The Management of people at work

(2) Dr. S.C. Saksena
Business Administration and Management
SAHITYA BHAWAN : AGRA, 1982, P. 174
Therefore it is a natural anticipation to expect the trained employees to give their best, of their knowledge and skills to the organisation and thus achieve the goals. Hence Training is a double edged tool where the organisation cuts a better image for the employee and the employer.

3.12 **OBJECTIVES OF TRAINING:**

The central theme behind training is to breed the best of knowledge and skills and attitudes in an employee, which will be beneficial to both the organisation and the employee. Thus nurturing quality and quantity of the productivity side-by-side.

And to gain such results a planned policy consisting of a person to take the responsibility of training with an eye on its achievements is required.

This person should have through faith in the results of the training and have command over the subject he has undertaken to train, for the training require plans for the site of training strategies of implementation, stipend for the trainees, amount of period required; and the end, should be result oriented, within the sphere of the labour laws.
These objectives will serve as a pathway to compound a programme, where over-all performances will be judged, and the individuals thus selected for the job kept as a goal before the training.

3.13

**TRAINING METHODS**

There are various forms and types of training systems; and they are usually inter-linked; hence it is impossible to highlight the usefulness of one in or a combination, as the effectiveness depends upon the situation and the results.

The truth is that these systems are multifaced in scope and dimensions, and the utility factor largely depends on a particular situation.

We can broadly segregate these methods under four main titles namely:

(a) On-the-job training
(b) Off-the job training.
(c) External training, and
(d) Internship training.

3.13a  **ON-THE-JOB TRAINING**

This method is implied for the trainees to learn right on the job, they earn and learn at the same time;
they have an instructor to coach them, who himself is a trained employee of the organisation. This type of training is used to provide continuous training to employees in order to keep their job skills current or prepare them for a promotion.

But this method has its drawbacks, as the training is judged in comparison with the already trained workers; the instructor is not clear in communicating his instructions as he is not a skilled or specialised trainer, chance of poor quality product to be produced increases so does the rejection.

This type of method can be utilised for all levels of the organisation. But, though the company saves a bit of money on this method, it will be fruitful, if the results, produces skilled employees.

3.13b OF-THE-JOB-TRAINING:

This system trains the employee away from the actual location of the job. Here the trainee has a free expression of his ideas, and can cultivate a new angle of approach. Here quality is cultivated and no frustration of reading the targets or competition with the superior workers is in-bred. In fact more concentration is given
to learning the job, which may be beneficial for future prospects and less wastage of time is modulated in performing the job.

According to professor McCormick, off-the-job training "Covers a wide range of training activities given by an organisation, such as vestibule training (training for specific jobs), supervisory and management, training and development, some apprentice training, and job-improvement training. May be combined with on-the-training, as in the case of apprentice training programmes." (1).

3.13c EXTERNAL TRAINING

External training is achieved through vocational guidance; it can be for an independant employee or a collective group.

Various centres (which are established outside the factory) take up this type of responsibility, such as:

1) Industrial Training Centre,

ii) National Productivity Council,
iii) Small Scale Industries Service Institutes,
iv) Training Institutes and Schools;
v) Correspondence Courses, etc.

3.13d **INTERNSHIP TRAINING**

By this system both theory and practicals are put into practice simultaneously. The period of the course differs, depending on the nature of the job.

Here the trainee attends classes for theoretical knowledge and also visits the plant to implement the same into reality till the course is completed.

This type of system is inculcated by the understanding between the Industries and schools where theory is taught.

This system has a bright side and that is that the trainee picks up a balanced knowledge and skill and attitudes required of him in future.

3.14 **TRAINING IN SMALL SCALE INDUSTRIES** :

The training system usually adopted by the Small Scale Industries is "On-the-job-Training" method. Here the new candidate has to gain his knowledge and skills on
the job under the guidance of a supervisor or owner-manager.

It is a typical method which the organisation stresses more on reaching the pre-set targets, knowledge imported to the new employee has no specialisation of its own, and the trainer is usually noticed to convey his experience but the communication is in a dis-orderly manner, hence the quality suffers; instead of finding new angles to develop better quality and quantity, the new candidate has his hands full trying to be at par with his senior co-workers.

It is a rare thing to find special unit for training in an Small Scale Industry. Though some Small Scale Industries take pains to establish a system on-the-job where experts can be made under strict and good supervision.

3.15 **WAGE AND SALARY ADMINISTRATION**

According to concise OXFORD Dictionary wages are defined as "Amount paid at regular intervals especially by the day or week or month, for time during which workman or
servant is at employer's disposal". (1)

Webster's New International Dictionary also defines wages as "a pledge or payment of usually monetary remuneration by an employer especially for labour or services usually according to contract and on an hourly, daily, or piece-work basis and often including bonuses, commissions, and amounts paid by the employer for insurance, pension, hospitalization, and remuneration other benefits; especially : such paid to a skilled or unskilled labourer". (2)

A labourer, a supervisor or be it a personnel from higher cadre of the management, the amount of pay reflects upon their lives and their family members too.

In India nearly all the unemployed family members fall back on the one who is employed; its not like some foreign countries where indirect benefits are given by Government or social organisation to compensate an unemployed person monetarily for sustenance.


Till the employees are fairly satisfied with the salary they get; other activities, such as recreational planning, company periodicals, suggestion system, training plans and insurance plans are fruitless.

As the earnings of a labourer sets a standard of living for him and his family too; it is but natural for him to give prime priority to the monetary gains acquired by him.

Now, looking from the employer's point of view, the wage bill is the most important factor in the determination of the cost of production in certain industries; and unlike other elements he can influence most. Hence it can be deducted that wage and salary plays a prominent roles amongst the functions of personnel management.

However we can define wages as a numbration which is given for the service of labour engaged in the process of production. In other words; wages are the dues the employer has to pay the employee already agreed upon for his services in the line of production.
Wages also can be defined in terms of contract; which takes place between employer and employee, where the employee sells his labour-force to the employer and receives money instead of it. In general it includes all kinds of remunerations which are capable of monetary expression.

The policy of wage and salary must be planned in such a way that it should be fair and just. An honest day's work should be rewarded in a just way.

This lies in the hands of the personnel executive as how to layout the terms and conditions, of the payments that the right output gets its fair dues.

If an organisation has in mind to give its employees his "just dues" then the following problems should be considered seriously.

1) The problem of wage and salary levels.
2) The problem of wage and salary structures.
3) The problem of individual wage determination.
4) The problem of wage payment methods.
5) The problem of "fringe".
6) The problem of control. (1).

To get effective results from the employees a good wage and salary structure has to be designed. Then programme after that is a must to procure, maintain, develop and promote employees. The main factors that affect the designing of salary and wage structure are summarised up below:

1) **GOVERNMENT WAGES AND SALARIES IN THE COMMUNITY**:

   Government laws and legislations such as payments of wages Act, Minimum wages Act, etc. which have to be taken into consideration seriously before implementation of their own policies on salary and wages. They have to satisfy the legal requirements.

2) **CURRENT GOING WAGES AND SALARIES IN THE COMMUNITY**:

   The salary paid by the neighbouring companies for the similar type of a job too has to be taken into consideration, as it too effects the wage policy; when determining the salary structure the management should set their policies above or at par with the companies of their capacity to hold onto and retain their personnel.

2) **SUPPLY AND DEMAND OF LABOUR**:

   This is a case everywhere, the shortage in one
leads to demand in the other. These factors of supply and demand have to be noted, and, then keeping a flexibility in the wages structure, salaries policy should be designed.

4) TRADE UNION DEMANDS:

To avoid jeoperdisation in future and to do away with the union problems, a serious thought has to be given to the trade union's demands as a major role is played by them in influencing the administration of the policy of this aspect.

5) PRODUCTIVITY:

Productivity plays a vital role in designing a salary structure; as more the productivity, more the profits to the organisation; so obviously the organisation like to share its profits with the personnel who had a hand in its achievement. High wages and low costs are possible only in case productivity increases.

6) ABILITY OR CAPABILITY TO PAY:

This factor is of critical value in estimating the salary factor. As generally the unions demand the companies capable of giving higher wages must do so; but at times the unions demand a salary in comparison with
neighbouring companies; while the organisation they are with cannot afford it; then flexible negotiations should be considered.

7) **LABOUR COSTS**:

The labour cost cannot be ignored by any organisations; as the returns the organisation gets through its employees, has a direct relationship. An increasing wage bill has serious repercussions on the companies operational plans, prices and profits.

3.16 **DIFFERENCE BETWEEN WAGE AND SALARY**:

When labour services rendered are repaid by, on the basis of hourly rates it is known as wages. While the same is paid up, weekly, biweekly or monthly even annually it is called a salary,

Therefore the term "wage" frequently defines payments in terms of the hours worked and may fluctuate depending on the hours actually worked; while the salary implies numerations which is constant irrespective of the hours put into work.

Although the distinction between the two i.e. wage and salary, seems quite simple but it is not so;
There are other angles to this issue e.g. wage earners frequently have to punch a time clock, where as salaried workers do not do so.

Furthermore salaried workers are given greater freedom in such matters, such as late arrival at work, making personal telephone calls on company time, and so forth. Salaried workers are more secure and are less subject to lay-off than wage earners.

Some economists distinguished wage and salary with reference to the status of the employees. For instance according to Dale Yoder "wages are usually distinguished from salaries, which are paid to supervisors, clerical, and other white-collar workers and managers. Salaries are generally assumed to be at a higher level than payments to wage-workers. They are also calculated on a longer time-basis, usually a month or year." (1)

The salaried workers have an advantage over the wage earners, as the "salaried employees carry a greater assurance of steady compensation, and they are not as

In the past it was assumed that the salaried employee earned more than the wage earner; (which was true sometimes back); however it has been noticed today some hourly - rated employees draw better remunerations per week, monthly or yearly than many salaried workers.

3.17 OBJECTIVES OF WAGE AND SALARY ADMINISTRATION:

Fundamentally a good wage and salary plan has the following point laid out.

1. To lure employees, and see that this monetary benefits keeps them loyal to the organisation.

2. The pay is designed according to the assigned job.

3. It is also a means to award the workers calibre and efforts.

4. It should directly boost the morale of the employee which has an proportional effect on the class and amount of productivity.

5. It is a factor to satisfy the hows ? and whys ? of the workers mind.

(1) Ibid - PP. 465 - 466
6. It has to have plans to administer payroll, budget the profits and expenses, and a control the wage and salary criteria.

7. It has to rein the individual and collective bargaining.

8. It has to enhance employee, organisational flexibility, which is inclusive of promotions and transfers.

3.18 SYSTEM OF WAGE PAYMENT:

Various methods are adopted in payment of wages in different industries, and in different countries. The two major categories are:

(a) Payment by time, and
(b) Payment by results including payment of piece rates.

a) Payment by time includes hours, days, weeks, months or yearly results in the terms of output or productivity.

b) This category refers to output by piece or by the time involved in completing a piece or a unit to be finished as per specifications.
Besides these two various combination of these two are utilised; again several premium plans are evolved to arouse the interest of the worker and motivate him to acquire the quoted incentive.

Adding to the above mentioned system, there exists a system where a collective wage systems is also in existence.

3.19 Wage and Salary Administration in Small Scale Industries:

The wages system hardly exists in Small Scale Industries, unless they have an outside consultant or accountant employed to guide them.

But the salary system is predominant in Small Scale Industries that too the management decides as to how much an individual is to be paid. Two workers may be doing the same job but their salaries will defer as the management is the one who dictates its own policies.

Here salaries are a fluctuating policy, and differs from individual to individual and industry to industry.

A worker's salary in one industry may vary from another worker in another industry doing the same work.
Though the government has laid down the Act of minimum wage; some industry tend to ignore it, and pay sub-standardly, even the employees have to accept it as they at present do not have an alternative.

As the worker and the employer too are in a bargaining positions, its the employers decision that usually dominates the situation. The employees abilities and capabilities at times do not get their required returns, but it satisfies the employers dominance in taking that particular decision.

Thus this field of activity in Small Scale Industries is mainly determined by the employers and employees are given little or no choice at all.

3.20 **BONUS**:

Bonus may be stated as an incentive payment in addition to the regular pay, made by the employer to the employee for special or additional service.

The aim behind this additional payment is to motivate the workers to be regular in attendance and give their best while on job.

As bonus sometimes is quoted to be a cash
payment besides the regular pay, it can be said to be a stimulus towards the extra efforts put in by the workers; therefore its definition can also be termed as incentive bonus.

Bonuses are of two principal types. "One, the usual "production" bonus, is a regularly scheduled reward or incentive granted for extra performance. A second type of bonus, often called a "non production" bonus and exemplified by the Christmas or year-end bonus, is a gratuity and a source of income on which the employee cannot regularly depend". (1)

The main object in declaring a bonus currently is to motivate individual output among the workers. It is presumed to enhance "incentivation". These bonus can be awarded to individual performers or to a collective group productivity.

(1) David W. Belecher
Wage and Salary Administration
Englewood Cliffs, N.J., Prentice-Hall, INC.
Fourth Printing, 1959, P. 25
The characteristics of a bonus can be scrutinised as:

1) It is an additional payment besides the regular pay, and which cannot be claimed as a legal claim unless it is included in the service contract as a special clause.

2) It is different from the regular wages, to minimize the gap between the wages paid and living wage standard.

3) It is a share in the profits which may be claimed by the workers; and is a result of a joint effort between the capital and the labour; and therefore neither side can monopolise its claim.

3.21 BONUS IN SMALL SCALE INDUSTRY:

This is usually given in kind or cash at the time of Diwali and festivals. The base time defined by the labour law is 8.33 per cent of the salary of the employees.

The majority of Small Scale Industries prefer to give 8.33%, few give above it some sick units give below it and some do not give at all.
Bonus differs from Small Industry to Small Industry as the profits differ from industry to industry and usually individual efforts go unrecognised. It is the collective group that is paid here. Therefore instead of acting as an motivating factor it acts at times as a demotivating factor.

Again most of the time the clause of Bonus is eliminated in the service contract of the Small Scale Industries.

3.22 **PROMOTION:**

A promotion is a motivating factor to an employee; after he has been en-rolled in an organisation.

This enables the employee to better himself in every field; at his work; his attitudes; his loyalty etc.

There can be a promotion without a promotion too; e.g. an employee may be raised only in rank; with more responsibilities; but as far as his salary and other benefits are concerned; they happen to remain stagnant. This is very frustrating to an employee.

An employee (not all) do have a desire to reach the highest possible status an organisation can offer. Because on being promoted the status increases hence the
prestige and is looked-up at in the society; his pay increases; therefore he doesn't have to loose sleep over how to manage his finance to make both the ends meet; with this extra monetary benefits his family has a sound financial background; and at home peace resides.

Again it is the nature of man; as he wants recognition and appraisal plus returns if he is good at his work. If an organisation fails to do so and if the employee is a good hand at his job and position, there is a good chance, that the competitors will grab him by offering with a him a promotion/bigger salary and responsibility. This way an organisation looses a good man. And good men are hard to find now a days.

Therefore an up-gradation to deserving candidates is a must. As defined by C.B. MAMORIA "Promotion is an upward advancement of an employee in an organisation to another job, which commands better pay/wages, better status/prestige, and higher opportunities/challenges and responsibility, a better working environment, hours of work and facilities, etc. (1)

(1) C.B. Mamoria
According to Scott, Clothier and Spriegel, a promotion is the transfer of an employee to a job that pays more money or one that enjoys some preferred status."

(1)

3.23 OBJECTIVES OF PROMOTION:

The objectives of promotion in accordance with Watkins, Dodd, McNaughton and Prasow are summarised as follows:

1. Furnishes an effective incentive to initiative, enterprise and ambition.
2. Is useful in conserving proved skill, training and ability.
3. May be a means to reduce discontent and unrest.
4. May be helpful in attracting suitable and competent workers.
5. Promotional plans suggest logical training for advancement. (1)

Thus we can say that a promotion recognises a good deserving loyal employee; and rewards him by offering him his dues.

And individually further motivates his colleagues to prove themselves and attract outside hands to join the organisation; as the organisation pays the due respect to

(1) Gordon S. Watkins et al
PP. 447 - 449
Promotion also helps in reducing frustrating feeling of dissatisfaction among the employees; and also helps the organisation to retain him. And a good company when exploits a good man of his bests, thus earning profits out of him, gives his share in a promotion.

3.24 BASES OF PROMOTION:

There are two categories of promotion (a) Formal and (b) Informal promotions.

3.24a FORMAL PROMOTION:

This is based with an impartial view towards caste, creed, religion, color etc., but stress is given towards merits and seniority.

The management prefers a capable man to be promoted to give better and more yield. But the trade union or even the non-union workers prefer seniority as a chance for promotion.

Now this is a disputable issue, seniority necessarily may not project quality and apt out-put. But as seniority is given more importance by the labour-unions and the management too finds it a common factor to compromise with. Seniority is chosen usually for formal promotion.
3.24b) INFORMAL PROMOTION:

Not all the promotions are fair; informal promotions are made under some kind of stress or influence on the management. Here merits and seniority are set aside.

But influence like "religion" ethnic group, influence of potential customers; etc. play a very potential role in informal promotions.

3.25 PROMOTION IN SMALL SCALE INDUSTRIES:

Some Small Scale Industries follow the system of promotion if they are doing good business and if the management is conscientiously considerate. But it's been noticed majority of the Small Scale Industries have a tendency to ignore this factor.

Some follow the method of 'up-grading' i.e. a junior may be called as a regular. But the rise in pay is hardly noticeable and no additional responsibilities are endowed on the person; instead he has to serve on the same job with only a change in the name-sake designation. It's a promotion without a promotion.

A job which does not involve greater pay, better skills and more responsibility it cannot be accepted as a promotion.
With the increase in industrialisation; accident rate too has gone up. Earlier it caused heavy pentlay to the organisation and the employee either lost his life or was disabled forever.

But with the awareness of such mishaps; a sense to cultivate safety measures and safety devices was introduced.

Large companies where various departments are involved have taken steps to organise a safety committee; to an extent even psychologists are employed to analysis. The employees difficulties and find out the accident-prone area and ultimately find solutions to avoid future accidents.

Some precautionary devices are attached along-with the machinery; without whose application it becomes impossible for the worker to operate such machinery. But some devices have to be utilised by the employee while working but he avoids them and thus a possibility of an accident takes birth. Some companies levied fines for such outrageous steps; but it only aggravated the worker to do the same mistake and try not being caught.

The best motivating factor noticed was motivation by using psychological methods; and also cultivating a strict sense of discipline while on job.

3.26 SAFETY PROGRAMMES:

...
Posters were introduced; cautioning and reminding the employee on the job; that if certain things were ignored; accident was bound to occur e.g. (a) Inflammable gas, No smoking (b) Beware danger zone etc.

These types of posters were a constant reminder to the worker; who sub-consiously follows the ever present instructions; and after some time it becomes a habit.

But this is not a one-man-campaign. Committees were formed; varying in-accordance to the size and type of companies; and as per the policies of the top management.

These committees held regular meetings on company time; give suggestions and ways of implementation of safety programmes.

It's been analysed that a safety programmes is always changing according to the needs. But the following points, or, even more steps are a must to form it.

(1) The approval of the top MANAGEMENT.
(2) Objectives and policies.
(3) Appointment of a safety officer, with a committee to back him;
(4) Cultivating awarness in the workers.
(5) Analysis of the accident-prone areas.
(6) Safety devices.
(7) Enforcement of safety rules.
(8) Education and training.
(9) Healthy work environment.
(10) Prompt attendance towards injuries.
(11) Rehabilitation.

3.27 SAFETY PROGRAMME IN SMALL SCALE INDUSTRIES:

As human lives are at stake on this subject due attention should be given in this direction. But it's been observed very few Small Scale Industries give consideration in this field; and in the long run if an unfortunate accident occurs; there is financial loss to the company as a means of compensation; a good worker could also be lost; and again if some one else is got in the previous worker's place; he may not be as efficient as the first one resulting into poor quality of productivity.

Some of the Small Scale Industries have ensured to implement safety devices such as hand gloves, goggles, industrial boots and at times, helmets; even a fire control system; but when one ponders over it, it is insufficient.

3.28 WORKING CONDITIONS:

It's been noticed that influence of the environment has a considerable on The man's health and mind which is projected in his out-part. If the surroundings are good the
man too feels good and there is an internal motivation force that helps in creating the best of the employee; but if the conditions are poor, the worker feels that the job at hand is a tough one and this puts him under strain, which ultimately results in poor quality of productivity.

Though incentives like bonuses and promotion motivate the employees to give in their utmost; these are not enough. A healthy surrounding to keep a healthy mind and a sound body too becomes a must.

To enhance the workers efficiency clean, healthy, good lighting, soft music (if possible) helps in producing good results; as noticed and observed by industrial psychologist which many a company have adopted to a great extent, now-a-days.

3.29 **SCOPE IN HEALTHY WORKING CONDITIONS**

All the factors that influence the health and efficiency of the employees can be included in scope of working condition. The most likely and important unavoidable ones are given below:

1. **Ventilation** : There should be ample air circulation; to avoid the musty sick feeling that stale air induces in one being.

2. **Drinking Water** : Good hygenic and plenty of water supply should be available.
(3) **Sanitation**: Its said cleanliness is next to God. Therefore when one works in a clean, place free of dust, dirt & eye-appealing paints; it gives a good feeling to work in a clean place. The worker is more comfortable at his job.

(4) **Lighting**: The place should be well illuminated. In day time sky windows can supply natural light, or in places where the sun rays cannot reach artificial light can be used.

(5) **Latrines and Urinals**: This arrangement is a must for every organisation.

(6) **Rest Shelters**: Suitable arrangements should be made in rest rooms, lunch rooms too play an critical role, in the output of the worker.

(7) **Working Hours**: They should be put into practice in a manner which does not effect the health of the worker in a negative sense.

(8) **Canteen facility**: Provision of balanced good diet at a subsidised rate too affects the work positively.

3.30 WORKING CONDITIONS IN SMALL SCALE INDUSTRY:

The factors projected earlier are mainly accepted by the large-scale units; but when it comes to Small Scale Industries few adopt to such details, majority cannot afford it or choose to set it aside, just because they think they are un-accountable.
All take care as far as lighting, urinals, latrines, ventilation and drinking water is concerned.

But when it comes to good space for movement, sanitation, canteen facilities, rest shelter, majority avoid giving it consideration, few implement it.

This effects the mental thinking pattern of the worker, hence the lure of joining bigger industry sprout up.

Again if the atmosphere is dull the efficiency is effected, its been proved by renowned psychologists practically. Thus ultimately the final production quality suffers, which does effect on Small Scale Industry.

3.31 LABOUR WELFARE:

Labour welfare is a vast subject, and its applications vary from industry to industry, state-to-state, country to country. Its an ever evolving process; depending on the times and socio-economic background.

Labour welfare has been described in various ways; but any action taken in the positive sense; besides the usual contractual facilities; taken up by the industry, the government or any other society to relieve the labourer of his stress and strains; to boost up his socio-economic status; help his
family; add to his mental and physical comforts without taxing the organisation; can be claimed as welfare for the labourers.

In the Encyclopaedia of social sciences, welfare is defined as "the voluntary efforts of an employer to establish within the existing industrial system, working and sometimes living and cultural conditions of his employees beyond what is required by law, the customs of industry and the conditions of the market". (1)

Labour welfare not only results in the socio-psychoeconomic upbringing of the labourer but also acts as a motivating factor, and also attract outside hands to join the organisation; for it cares, not only for the worker but his family too; a sense of security is developed and good-will prevails.

In a labour welfare, the things usually considered are, health, clothing, food, housing, medical facility, insurance, recreation, education, job security, transport etc.

(1) EDWIN R.A. SELIGMAN - Editor-in-chief
ALVIN JOHNSON - Associate Editor
Encyclopaedia of the Social Sciences,
P. 395
Labour welfare as defined by A. Monappa and M.S. Salyadain "implies providing better work conditions, such as proper lighting, heat control, cleanliness, low nose level, toilet and drinking-water facilities, canteen and rest-rooms, health and safety measures, reasonable hours of work and holidays, and welfare services, such as housing, education, recreation, transportation and counselling. (1)

According to the Report of the Labour Welfare's Committee, "Labour Welfare work includes such services, facilities and amenities as adequate canteens, rest and recreation facilities, sanitary and medical facilities, arrangements for travel to and from work, and for the accommodation of workers employed at a distance from their homes, and such other services, amenities and facilities including social security measures, as contribute to an improvement in the conditions under which workers are employed". (2)


3.32 OBJECTIVES OF LABOUR WELFARE:

The objectives of welfare work is two-fold, one is a selfish motive of the organisation to have a good propaganda and image in the market, in addition to that retain the present employees thus; eluding outside influence of other organisations who try to lure expertise away. This is again another round-about way of attracting experts to join them. By this way taxation problems are minimised on the surplus and good rapport with the workers is generated. It also helps in enhancing the efficiency in the worker, and results in better quality and less wastage.

The other motive is the humanitarian one; it cultures the better side of socio–psycho–economic side of the worker, gives morale support; settles him in life, lessens anxiety and frustration to quite a large extent. And a country like India needs all the help rendered by welfare schemes no matter how small for the betterment of its labourers.

3.33 LABOUR WELFARE IN SMALL SCALE INDUSTRIES:

Labour welfare cannot be achieved without the advice agency of the labours. In some Small Scale Industries such unions do exist, but a large quantity of them do not have it. Whatever facilities enjoyed by the worker are the ones provided by the management only, such as, medical, canteen, bonus, and
some minor ones. But they fall short of the cultivating demands, a worker in an Small Scale Industry is usually noticed to be dissatisfied and is always on the lookout for large organisations, so that the facilities given over there are much better and welfare unions do look after their kind in the need of hour, or settling in life for his family and himself.

Some Small Scale Industries have gone out of the way and provided their employees a well deserved life, but this is restricted to a handful of Small Scale Industries. Majority have failed to develop a welfare programme forget implementing it into practice. Hence the emotions that dominate a Small Scale Industry worker are that of, dissatisfaction, anxiety, frustration, insecurity and inaptness.

3.34 PERSONNEL POLICIES:

Policy can be claimed as a "plan sketched for action". It is a skeleton work on which the monument of an organisational governing not work is built up. To implement the action planned out and on the way achieve the goal aimed at by the organisation.

Its final results of a personnel function is determined by the way it had handled a particular policy and to what capability. This is recognised by the out-put where
ultimately the success or the failure of an organisation resides.

As quoted by Dale Yoder "A policy is a predetermined and accepted course of thought and action that is defined and established as a guide toward accepted goals and objectives". (1)

The Management Dictionary defines manpower policies as "statements of the goals or aims and objectives which defines the intentions of the organisation and with respect to manpower management". (2)

Personnel policy should be in tune with the changing times, and this adaptability should be the brainwork of the policy setting team, while the co-ordination of all the departments is desired to put it forth in a successful way to avoid disciplining the set plan.

(1) Dale Yoder

(2) A.E. Benn
Management Dictionary
New York - Exposition Press, INC 1952 P. 258
The main points advocated to set up a policy are as given (a) Setting the right person in the right place. (b) Enhance to everyone's capabilities for the job given to be attended and finished. (c) The correct equipments and right conditions. (d) Promote security, opportunity, recognition incentives etc. (e) Keep the wheels moving with a foresight into future for better achievements of personnel and collective objectives.

Some policies are major ones, usually handled by the main departments, but minor policies too are set forth which are out-growths of the major ones but are handled at the lower departmental level. Some are centralised policies, some are external, some are internal etc.

However "to achieve the goal certain guidelines are necessary. These guidelines are known as policies. Policies are vital to an organisation. They provide stability, consistency and a framework to an organisation. In a way, policy is a form of authority. Many operational problems are avoided by having well formulated policies. The policies provide objectivity to decision making. Policies are formulated at the top level of the organisation". (1)

(1) Joseph M. Putti
Personnel : The Management of securing and maintaining the workforce.
S. S. Chand and Company Ltd., New Delhi 1980-P.15
So it is seen that at every stage of the organisation a set plan of action is pre-concieved and later implemented into action. If policy has to be pre-determined right onwards from Manpower planning, Recruitment, Training, finances, Marketing Welfare etc. It involves all the functions, an organisation without policy is a body without its spinal support, it will collapse and no construction step is applicable.

3.35 **AIMS AND OBJECTIVES OF PERSONNEL POLICIES**

The management has two kinds of objectives

(1) General (2) Specific. General objectives deals with the top management's basic philosophy dealing with personnel administration. Specific objectives deal with various activities of personnel administration involving recruitment, training, development, salary etc.

These types of objectives chalk out a route for the managers, it also stops the lower management to take unwanted steps and also guides in the prompt direction for desired accomplishments.

No organisation is without a policy. The objectives curtailing to personnel policies are:

(a) To maintain the philosophy of the top managements.
(b) Guide the managers for achievements.
(c) To develop a sense of oneness.
(d) Develop the undeveloped areas
(e) To retain faith of the employees and the customers.
(f) To develop a better management human relationship system.
(g) Enhance the sense of responsibility
(h) To set a goal and build a path to achieve it whether it deals with manpower, targets, achievements or market.

3.36 PERSONNEL POLICY IN SMALL SCALE INDUSTRIES

As quoted earlier no organisation exists without personnel policies, no matter how slim are the chances of implementing it.

This is a case noticed with the S.S.I. They do have personnel policies in word; (all of them), but when it comes to putting them into practice, majority of them go hay-wire (not all of them).

Each management knows its needs, and its goals, but the means fail in the long run, due to lack of finances, no right people for the right position, no distribution of labour, due to communication gap, due to competition in the market, late recoveries, absentism, migration of good workers to larger companies etc.

Therefore overcoming these handicaps, needs iron hand of administration and firm convictions in its achievements.
criteria is finances which should be aptly judged and managed.

If the personnel policies are laid down with an objective of growth for the organisation, and the right personnel is sought after and enrolled, a good human communication system is developed, apt motivation to the workers is incorrect, it means be difficult for an S.S.I. to enlarge into a medium size organisation and in due time to a large scale industry.

Therefore a personnel policy is the bran and the backbone of the organisational system, on which industrial empires are built.

3.37 **ABSENTEEISM** :

A sense of awareness of responsibility, when inclines to go slack, a labourers morale commitment towards his employer suffers and thus absenteeism takes birth.

According to the encyclopaedia of social sciences, absenteeism refers to "time lost in industries establishments by the avoidable or unavoidable absence of employees. Time lost by strikes and lockouts or by lateness amounting to an hour or two is not usually included" (1)

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(1) Edwin R.A. Seligman, Editor-in-Chief.
Alvin Johnson, Associate Editor.
Encyclopaedia of the Social Sciences,
In India, the factors prevailing as causitive factors including absenteeism are numerous. Absenteeism has peculiar features,

(a) The highest rate of presentes are noted on pay day;
(b) The highest rate of absenteeism are noticed after pay day or a few days following it. This is because the worker wants to go on a merry making spree.
(c) Unsuitable working conditions, the weather, specifically in hot and monsoon. Seasons marriages, and social festivals, poor hygienic conditions dominating the work place or even at the residences of the labourers amount to the causation of absenteeism,

It's been observed that a man with better working conditions has better attendance than the one working in opposite conditions.

Absenteeism too dominates the scene in absenteeism.

Improper motivation too can result in adverse motivation and result in absenteeism.

Be whatever the cause, absenteeism causes a loss to the employee as well as the employer, when the hours are lost production suffers, so does the employee by loosing his wages.

Absenteeism can be brought under control by a proper inquiry into the labourers regular absenteeism if the inquiry is not satisfactory investigate and try to remove the causitive
factor, later have a talk with the employee and explain the company's policy etc. But if he still persist remaining absent warn him, later threaten him with his employment, and even after that if he fails to reduce his absenteeism, terminate him, which could serve an example for his co-workers.

**ABSENTEEISM IN SMALL SCALE INDUSTRIES**

3.38 Absenteeism in S.S.I. is a major factor causing unduly production and the S.S.I. managements find unable to bring it under control.

In S.S.I. absenteeism is mainly registered due to no transportation provided by the organisation, ill-health, marriages, social functions, seasons, alcoholism, poor management, improper motivation, more stress and strain, poor working condition, frustration etc.

New recruits below 25 years find it difficult to cope up, and employees above 40 years find it strenous to handle, therefore remains absent.

Relaxation after pay day, too results in absenteeism, And the employees know that the management is handicapped without them and have no proper means to control them, therefore, they take ill advantage of the situation, causing hurdles in productivi but in turn also loosing their own daily wages, which they fail to recognise.