NATURE AND SCOPE OF SOCIOLOGIST OF WORK

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1.1 OBJECTIVE

1) To understand the today’s nature of work interns of mechanization, subcontracting and outsourcing
2) To learn general sociology which is specially interested to know the present situation of work.
3) To understand the term globalization and opening of the economy to foreign countries.
4) To be familiar with different trends sociology of works.

1.2 INTRODUCTION

Like so many aspects of our social work, work and Economic life are undergoing enormous transformation it seems that we are confronted at every turn by pronouncement like “death of carriers” nature or environment news about the corporate mergers and downsizing and contradictory reports about the impact of information technology on the work place yet, in addition to these very public aspects of contemporary pattern of work sociologist are are interested to know changes in works are affecting the lives and families.

Today the nature of work has been changed, industries in the traditional sense ie, manufacturing material goods and services with the help of machines and mechanical work power have been reduced in number with automation, computerization, subcontracting, out-sourcing the number of work has been falling in large industries rapidly with information revolution, most of the service provided with computerized processing and there is no
need of any large number of workers for eg. WNS specialized airline management firm working from pune and Mumbai, can do the either back office airline management function of British Air Ways. Some other association many be specified in human resources related function like payroll and pension management and its clients may include big corporate, like Motorola, Pfizer which offer arrange of out scoring services to clients world wads for example A multi national company spectra mind provides a number of services like e-mail management accounting services and knowledge acquisition.

1.3 MEANING OF SOCIOLOGY OF WORK

Sociology of work is a substantive area of general sociology which is specially interested to know the present situation work and work environment it is also concerned with the changing needs of industries and its impact on the present generation. Sociology of work and occupation is a new development in the field of industries to study the nature of job opportunities impact of new globalize market, changing scenes of Indian market and overall the requirement of labour in terms specialized skills in order to service.

Sociology of work is a new subject for industrial sociology it applies sociological principles to the study of economic structure. Changes in these structures values and ideologies attached them in these science. We give primary emphasis on the nature and trends of present occupations in order to study needs of new economic, the new generation of workers have to be well equipped to face the challenges posed by the industrial global activities they need to bold enterprising highly skilled and ready to work in feasible system production, automation and computerization have created specific type of demand for different goods and services in order to meet the emerging new needs of production. The workers have to fully capable. The consumption market is largely hanging, the demand of products with whole range of services or packages compel manufacturing to adopt the new methods of production.

The technological advancement in telecommunication like their e-mail and internet brought significant changes in Indian organized labour market. The development in addition to the other techniques play a vital role in balancing the demand for labour with supply of the same.

As a science of human behavior it also focuses on women and child labour to the future needs. It intends to make the student aware the changing scenario of industrial organization, work environment, changes in the demand of labour the subject wishes to enable them to cope with the challenges of new economic system.
Sociology of work thus can be defined as a dramatic study of work related problems industry under the new conditions and changing the pattern of relationship in the new context e.g. globalization.

Globalization means integrating the economy of a country with world economy. In Indian context it implies opening of the economy to foreign direct investment and provides to Multinational Corporation in India. It has resulted in (a) joint ventures (b) reduction in tariff rates (c) bringing down the level of import duties (d) promoting exports. Though the expectation from these liberalization and privatization polices were very high ultimately we could not achieve much in the field of economy, the rate of unemployment rose to ever high level. Industries are closed, labour is retrenched and new number of job opportunities have been created the sociology of work studies the impact of globalization on the industry workers and employment, it provides detailed information about the impact of new economic policy the effect of downsizing like family, education media or culture. It also deals with the nature of industrial relation and the changing aspects of the role of trade union and their members.

1.4 BASIC CONCEPTS

Work:-

Sociology of work is intimately related to work itself work is the care of industry is most genuinely related to this concept as working activity is the most common among the human being work is universal phenomenon whether in the so – called “Primitive” State of mankind or in more advanced stages of culture work has been practice in an ordinary avocation of man demanded from him by nature and society and the contribution to the public welfare which at the same time entitles him to share the goods available in the community More over in the simpler society connected originally with other common activities as are, religion or recreation “Primitive” man work spontaneously in the some way as he eats dances or prays Work was alike other human activity in the life for preliterate man.

For most common of us work occupies a larger part of our lives than other single type of activity work means something the gives meaning to life. Work also provided self esteem. Work can be paid or un paid but one devotees then folder to do the work. Work is the medium through which one express one self uses capacity one all physical activity and mental ability.

The concise oxford Dictionary defines work as an expenditure of energy striving application of effort to some purpose while in economics its speak of it as “one of the major factor of
production consisting of manual or mental extension for which wages salaries of professional fees are received" The famous an anthropologist Raymond Firth defined it as "an income producing activity "Or as a purposeful activity entailing expenditure of energy at some sacrifice of pleasure or leisure while the creative sees R.B. Lal calls in the law of creation labour is essential for the preservation of life. But Henri Avon, Considering the feeling of many other described it as a muscular effect including fatigue and exhaustion or a spontaneous, conscious and deliberate effort.

According to the encyclopedia of social science work means only economically useful activity. Earlier work was separated from the daily routine and all the member of the society were required to participate in productive work ie production for goods and service necessary for subsistence with the growth of a market economy in the course of economic distinguished from the general population. Thus who are in work or work force many be said to form socio economic structure of society.

In every culture most person are engaged a good part of their life in activities that may be considered as work but such activities may or may not be paid for of house - wives work although high desirable are not regarded as economic.

Work plays a central play in the life most people engaged in productive activities. Jerome M Rostow with long experience in government and business has summed up the centrality of work in a following statement.

Work is the core of life considers the deeper meaning of work to the individual and the life values. Work means a good provider, it means autonomy, it pays of in success and it establishes self respect and self worth within these framework, the person who openly congests active job dissatisfaction is virtually admitting failure as a man, a failure in fulfilling his moral role in society, since work resides at the very core of life values, self esteem colors the response to job satisfactions on attitude those who don't like to work, it is denial of basis goods in life. Denial to work means an admission to an inability to achieve and perform an economically use full and productive ways in society, in the family, in the church, and in the community.

George straws concludes his study on Individual and its subsistent dysfunction manifestation that there is overwhelming evidence that many (but not all.) workers react negatiully to work ie routing and without challenge. A whole series of study from mass production industry shows eg that dissatisfaction appears directly related to short job cycle, lack of autonomy and control over work place in jobs which require attention but not challenge. Such facts
also relay to absentism turn over strikes and even poor mental health.

One of the best known studies of the relationship between technology and alienation is the work of Blauner. As we will see later, he has adopted an instrumental attitude towards his jobs viewing it as a means to an end rather than an end itself. While these problems may apply equally to white collar and Blue worker, there is some evidence that they are creative in some type of jobs than above.

The problem of alienation is greater in some type of work than other if the work is routine and monotones the worker have more detachment from work eg : assembly line work but if the work demand greater involvement of attention, the worker feels more active.

1.5 INDUSTRIAL WORK

Modern Industrial work is highly differentiated and specialized, the whole production is split into a number of Stages or Steps, in each of which one or more specialized group of worker are involved, work is also shifted from home to factor in modern economy machinery and equipments were concentrated in factories. People seeking jobs in factories would be trained to perform a specialized task and received a wage for his work.

The impact of such division of labour had been studied a number of sociologist on Individual and society as a whole for move toward industrialisation and wage labour was sure. To result in alienation among workers, they are employed in factory, workers would loose all control over the labour they would be obligate to form routing task that would strict their work. Workers in a capita list system eventually adopt an instrument orientation to work, Marx argued and saw it is nothing more than a way to earn living.

Mark also believed that work provide the most important and the vital means for man to fulfill his basis needs his individuality and his humanity but so for work would not be felt in such whole a complete fulfilled sense. Similarly Roberl Blawner has mentioned earlier as conducted experiments to study the relationship between technology and alienation.

Durkheim was optimistic when he emphasized on this strengthen of Social solidarity through specialization of roles but he also warns of the situation like anomy.
1.6 AUTOMATION

Robert Blawner has examined the impact of automation on worker, their skills and in their level of commitment. Automation generally means work done without any human interference, with the help of machines in his influential well known studies alienation freedom 1964. Robert Blawner examined the experience of worker in four different industry, with different levels of technology.

While he saw fragmentation as the under line features leading to alienation, he identified several important dimension to the problem mainly, powerlessness, meanings lessens, isolation and self estrangement such feeling arise when the workers is performing a maximum repetative and relatively meaningnessless. task, with little control over his situation and isolated from his colleagues, he concluded that workers on assembly line were the most alienated of all but that level of alienation was were some what looser at work places. Loosing automation.

In other words Blauer argued that the introduction of automation to factories was responsible for reducing alienation, automation held to integrate the work force which had been lacking with other forms of technology. A very different thesis was set forced by Harry Braverman in his famous labour and monopoly capital? 1974 in Brawer man eyes, automation was part of all the over all “de-Skilling” of the industrial labour force by imposing Taylorist organizational technique and breaking up the labour process into specialized task managers were able to exert to control over the work in both industrial setting and modern office the introduction of technology, contributed to over all “degradation of work while by limiting the need for creative human source instead all that was required and non responsive unthinking, body capable of performing and endlessly the some unskilled tasks.

1.7 MODERN TRENDS IN NATURE OF WORK AND ECONOMY

Today is what we will call Knowledge Economy we are gradually leading to a new type of society no longer based on primarily on industrialism that is the age of beyond industrialism a phase of development which is coined in a number of ways to describe this new social order such as post industrial society, the information age and the “new Economy” Knowledge Economy is however more common.

In general teams knowledge request to an Economy in which ideas information and forms of knowledge led to invasion and economic growth. A knowledge worker is one who is involved
mostly in design development, marketing, sale and servicing of material goods.

People earn their living by providing service, judgment information and analysis whether in telephone call center, office a government department or a scientific laboratory. This is in sharp contrast to the industrial job which involved physical labour and produced clear tangible result. But today a person is a knowledge work his work is a consultant is focused with the application of information. It does not directly produce anything can be observed or measure in a traditional way to a - (Knowledge processing organization)

Knowledge bused industries are understand broadly to include high technology education, training & research and development and the financial investment sector, government is investing in public education spending on software development, and research and development.

I) Information Technology:-

Internet e-mail, tele conferencing and e commerce are changing the way in which companies do business. But they also affect the way employees work on daily basis. Bluner with his optimistic look argued the information technology will revolutionize the worked of work by allowing new and more flexible ways of working to emerge. Workers will be give more freedom to control over and input in to the work process. Sociologist emphasizes that power of technology determines, the nature and scope of work itself. On one hand information technology can break rigid hierarchies to engage. More over employees on decision making and to induce worker more closely in day to day affair, of the company. On the other hand it is believed that It career today affairs the company cut down face interactions look block channels of accountability and transform an office into a network of self contained and isolated modules.

II) The transformation of work: -

Over the last three decades flexible practices have been introduced in a number of fields including product development, production techniques, management style the working environment, the employee involvement and marketing. This is post industrial stages or the second industrial stages divide classic in which flexibility and innovation are maximized in order to meet market demand for diverse customize products. The idea of flexible production or flexible specialization is the small farms of highly skilled workers are innovative production technique and new forms of technology. To produce smaller quantities of goods that are more individualized than the mass produced one. Change in design
options and feature to be introduced more frequently. This allows companies to diversify their product line in order to meet these needs.

a) **Group Production:**

This is similar to team work like when workers work as a team work members, meet and resolve production problem for example equality cycle group.

b) **Multiskilling:**

New forms of work allow employers to increase the breadth of their skills by engaging in a variety tasks, rather than performing and specific task and over again. Group Production and team work are seen as promoting a “Multiskilled” work force capable of carrying out a broader set of responsibilities. Thus in terms turn leads to higher productivity and better quality goods and services, employees who are able to contribute to job in multiple ways will be more successful in solving problems and carrying up with feature approaches.

c) **Women and Work:**

Until recently paid work in western countries was predominantly the sphere of men. Today more and more women have mould into labour force between 35 - 60% of women aged between 16-60 in most European countries hold paid job outside that home.

There are many reason why the gap in Economic activity has rates between men and woman have been closing in recent decades.

1] There have been changes in the scope and nature of the tasks that have automatically traditionally been associated with women and the domestic sphere', child birth has been declined furthers mechanization of many domestic tasks has also help to cuts down the amount of time that needs to be spent to maintain the home.

2] Economic Pressure on house hold including arise in make unemployment have led more women to seek paid work.

Finally it is important to note that many desires women have to chosen to entry the labour market out of a desire for personal fulfillment and in response to drive for equality propelled for ward by the women movement of 1960’s and 1970s.

But it has been full filled observed that women always face inequality while the work place. They are not only paid less but also
given the job while less skilled and do not pose much challenges such jobs are called feminine jobs. Occupational gender segregations refers to the fact that men and women are concentrated in different types of jobs based on prevailing understanding of what appropriate male or female work.

Work is also and occupational or the concept of occupation is different from that ‘work’ in the sense that occupation always gives something return. So an ‘Occupation’ Is a job done in exchanges of a regular wage or salary in any industrial organization. In all societies work is the basic of economy. Without work, there is no production.

III) Future of work

In the light of the impact of the global economy and the demand for a flexible labour force, some sociologist and economist have argued that more people in the future will become portfolio workers. They will have ‘skill – port folio’ – a number of different job skill and credentials which they will use to move between several jobs during the course of their working lives. Only a relatively small proportion of workers will have continuous ‘careers’ in the current sense.

1.8 OCCUPATION

Occupation is a ‘Calling’ or work which engages a person throughout the day. Further, this is the source of the like livelihood thus the term occupation is used for a full time purposively activity done in exchange for payment. Occupation is work in economic sense.

The occupation of a person reflects his income, his Status in society, his own attitude and also his academic or technical qualification. Occupation also determines the person style of living his ambition and his orientation to work Occupation are very important, they determine the whole life. Individuals train themselves in a particular occupation when they are young. They devote a considerable time to learn the skill of any occupation and also practise it. The more time is given to any learing the higher status of that occupation becomes. This is also a Profession these, a profession in an occupation which is learned after long training and which produced confidence authority and expertise knowledge in a specialized area. The profession also gives the person the authority to practice his occupation independently but many individual cannot devote much time they accept any job according to their capabilities and interest.

Occupation is thus a productive activity mainly industrial activity. The industrial or many activity, work is known ‘labour’ ie the
activity which is done by individual in exchange for money or the purpose of livelihood. Labour is a primary factor of production. It is considered to be important role not only because it is productive but also it stimulates other factors and make them useful for production purposes. Therefore the size of labour force in a country is of crucial importance for the level of economic activity.

Occupation can be broadly classified in to 3 stages. Primary, tritary, Secondary. Agriculture forestry, animal husbandry fishing, poultry farming, mining, and quarrying are considered to be primary occupation. In relatively backward counties large proportion of the population remain engaged in such occupations. In some of the developed as well as under developed countries, fishing is an important activity. In Japan, Norway and England it provides employment to a substantial number of people. Denmark and Argentina are famous for animal husbandry, dairy and poultry farming. Forestry is an important activity in Canada and Maynamas. But overall the country grows Economically dependence an primary activities declines. Almost all developed countries had adopted industries followed by the development of tertiary activities for their sustained development. Further more rise in proportion of non agricultural labour force lead to an increase in real National Income.

Labour intensive techniques adopted in primary activities result in low productivity. In must countries it is not possible to use highly capital intensive sophisticated mechanized production, technology, simply because the country is not highly industrialized and large numbers of people are engaged in secondary and teirary sectors.

Manufacturing industries and small scale and cottage industries are included in the teritary. A low proportion of labour engaged. In India the percentage is very low, hardly 12% even in secondary sector from the point of view of employment, large scale manufacturing industries are less important. In contrast, small scale and cottage industries provides more job 82.2% of the labour force is engaged in small scale as against 17.8% and medium units in 1990.

Trade, transport, communication, banking, insurance etc are, included in the teritary sector. They are also called “Service industries" generally productivity in the tertiary sector is a high secondary industries and sometimes even higher that in the later. The higher percentage of labour engaged in secondary and teritary activates reflects economic progress. According to world development report 1997 in 1990 while in developed countries 45.70% of the labour force was employed in the teritary sector, India could provide jobs to barely 20% of its labour force in this sector.
Occupation of individual in a country also determining the level of per capita income. In all the countries where per-capita income is low a substantially large proportion of the national income is spent on goods produced in the primary sector. As such sizable labour force in these countries remain employed in agriculture, animal husbandry, fishery and forestry. When growth takes place and the per-capita income rises demand for manufactured goods increased and in response the output is also expanded. This creates more job in the secondary sector.

Occupations are determined by skills. Unskilled job can be performed by literate people since they require physical labour. Semiskilled job require little knowledge and mental ability where, skilled job require little knowledge and mental ability. While skilled jobs required higher level of physical and mental capacity. Some jobs are feminine jobs while other occupations are ‘masculine’. Depending on the type of jobs women generally occupies less skilled jobs while men in more harder physically laborious or skilled job.

Traditionally, caste in India also determine the occupation. Upper caste engaged in clean, socially considered higher status jobs like teaching, fighting performing religious rituals, producing crops etc. Polluting jobs were given to lower castes.

Occupation also determines orientation of the work. Lockwood maintain that worker define work primarily as a mean to an end particular as a mean for obtaining money to raise their living standards. They are strongly attached to their firms and generally regard employees in a positive side while Blauner in his famous study alienation and freedom insists in his technology of work which determines behavior and attitude of worker, if the occupation is in assembly line production. Example:- automobile industry, the work alienated or depressed the worker, on the line has little control over his work. The line determines his speed of work and grades like freedom of movement. There is little all for skill judgment or initiative. Such routines job result in economy, fatigue lack of interest and ultimately responsible for the loss of meaning.

1.9 SUMMARY

For Blauner technology in textile provide little opportunity for meaning and purpose in work. The product is standardized and the worker perform only a few rooting operations. His work involves little skill and variety and his contribution to be finished product a small.

1.11 CHECK YOUR PROGRESS

1) Discuss the meaning of sociology of work.
2) Define sociology of work.
3) Discuss work and how Oxford Dictionary defines work?
4) What is modern industrial work?
5) Explain automation and state information technology.
6) What do you mean by modern trends of work.
7) Analyses occupation and how it determines orientation of the work.

1.11 REFERENCES


1.12 QUESTIONS

1) Explain sociology of work with reference to modern nature of work and economy.
2) Discuss meaning of sociology of work with modern nature of work, globalization and automation.
3) Define sociology of work and highlight future of work.
WORK ENVIRONMENT AND WORK BEHAVIOUR

2.1 OBJECTIVES

1) To acquaint students with the dynamics in the world of work in urban and rural areas.
2) To develop awareness regarding the complexities of the Indian working environment and its influence on work behavior.
3) To understand the fact that good working conditions leads to positive work behavior and it helps in task performance.

2.2 INTRODUCTION

The purpose of work environment is to establish and maintain physical working conditions that allow individuals to perform their tasks efficiently and to concentrate on their tasks without unnecessary or inappropriate distractions. Work environment has to ensure that it complies with all applicable laws and regulations that improvements are made to enhance performance, that impediments to performance are removed, and that distraction are minimized.

2.3 MEANING OF WORK ENVIRONMENT AND WORK BEHAVIOR

The work environment has important bearing on the efficiency and satisfaction of the employees. Obviously, a dimly lighted, poorly ventilated and crowded place of work hampers efficiency, poor working conditions have been found to cause greater fatigue, negligence, absenteeism, and indiscipline among
the employees, work performance and behavior is constantly affected by physical conditions of work such as noise, illumination, heat, humidity and so on. It is now increasingly realized that many work behavior problems associated with productivity, morale, absenteeism, fatigue, accidents can be solved with increasing awareness of quality of working conditions.

Noise prevention measures have to be adopted wherever necessary. While complete elimination of noise in factory situation is neither possible nor desirable, some attempts should be made to keep it within permissible limits.

The effect or proper illumination at the place of work have been found to contribute significantly to human performance. Importance of the level of illumination varies according to the task in hand. What is good and correct lighting depends on the visual task to be performed sound lighting creates a cheerful mood and leads to partial improvements in efficiency and productivity.

Man must keep the temperature of his vital organs within narrow limits, if he is to survive exposure to intertemperate environments. As heat impings upon man, his first response is a sensation of discomfort. Maximum permissible limits must be set for one thermal severity of work places in order to maintain thermal balance either through a working day or over the duration required for the completions of a specified task.

Work environment influences work behavior as work environment develops positive attitude towards work behavior. It is well recognized that healthy and inspiring atmosphere leads the works for more work, while unhealthy atmosphere decreases his working capacity. Therefore it has to be realized that there must be good work, environment to develop work behavior for workers in industries as more provision of financial incentives cannot contribute towards efficiency of labour. A badly lighted workshop not only hampers work behavior production because the light is insufficient, but also because in short time workers are forced to spend more and more effect in maintaining the standard of work, and finally grow slack and cease to care. Infact, the conditions under which the workers perform their task have a direct impact on their work behavior, general health, efficiency and productivity. Under good working conditions, workers are neither exhausted nor they feel them depressed. Thus better working conditions inspire efficiency and productivity while bad working conditions had adverse effects on work behavior.

While there may be particular economic and technical difficulties in reducing the harmful effects of heat and illuminations, sustained efforts are needed to provide an optimum and comfortable work environment.
2.4 WORKERS WORK BEHAVIOUR IN INDUSTRY IS INFLUENCED BY FOLLOWING FACTOES.

They are as follows -

**Accidents :-**

Accidents are defined by Blake (1963) as “unplanned or unintended occurrences that interrupt or interfere with work activity”

Accidents can be caused by a variety of reasons. A number of factors in the physical work environment may lead to accidents. These factors could be unprotected place, congested work, unsafe pilling and storage, overloading poor maintenance, slippery surface, insufficient illumination and ventilations, contamination and pollution, unnecessary heat and dust, unguarded machines, unsafe, equipment and so on. Human facts like physical or attitudinal predispositions of one employees are also responsible, for many accidents.

Continuous research on safety should be conducted and one recommendation should be implemented as far as practicable. Accident prevention, however, is not a single agery’s responsibility. It is a co-operative effort of top management through clear and well thoughts out policies and programmes

**ii. Fatigue:-**

Fatigue is defined as the reduction in the ability to carry on with work because of previous work. This is accompanied by a feeling of weariness which is often one result of the length and intensity of the activity. Study of fatigue is a complex task. Researchers have been able to isolate two different kinds of fatigue: Physiological and psychological.

Physiological fatigue is essentially one physical fatigue of muscles and nervous system as a result of sheer physical exertion like lifting heavy loads, pushing or pulling heavy objects, aid so on.

Psychological fatigue is more difficult to explain. Normally it includes decrease in efficiency of work commonly known as mental fatigue, boredom aid monotony. Boredom aid monotony are influenced by an individual perception of his task. Monotony is a state of mind caused by repetitive work. Boredom, on the other hand is a person’s unfavorable outlook to the task he is performing. Thus, while monotony may flow from the nature of task, boredom is
essentially a function of the personality, attitude, mood and one perception of the task performed.

Fatigue cannot be eliminated entirely. Continuous activity produces its own fatigue which is difficult to control. However, unnecessary fatigue may be managed. Some techniques of fatigue management are:

1. Monotony on the job is an important contributor to fatigue. Many experiments in the west have shown that monotony can be controlled by the introduction of music and internal décor of the place of work.

2. Studies on flexi time, job enrichment, job rotation, quality circles and participation have also been found to be very effective. They provide more freedom, greater flexibility, more variety and control on the pace of activity which contribute immensely to the elimination of boredom.

3. Introduction of rest pauses and changes in shift also help in eliminating fatigue.

4. Changing the machine designs and use of more sophisticated mechanism may help to reduce fatigue. Machines designed to suit human needs and reduce exertion can go a long way in minimizing fatigue.

3) Absenteeism is a universal problem. The difference is only in magnitude. The extent of absenteeism may differ from industry to industry, place to place and occupation to occupation. Absenteeism in Indian industry is not a new phenomenon. The Royal commission on Labour (1929-1931) reported that “high absenteeism prevails among industrial labour mainly due to their rural orientation. Since then a number have pointed out the existence of high rate of absenteeism in many Indian Organisation. Absenteeism is one of the major human problem in many organizations. It results in dislocation of work, increase in labour cost, reduction in productivity and if unchecked increase indiscipline. Although some amount of absence will always be inevitable, most of it can be avoided. Most specifically, absenteeism refers to unauthorized absence from work. Unauthorized absence includes all cases where work is available, the work known about it but fails to report for duty and the employer has no prior information on workers not reporting for work.

Absenteeism has been variously defined by different authorities. According to Webster’s Dictionary, “absenteeism is the practice or habit or being, an ’absentee’, and an absentee’ and an ’absentee’ is one who habitually stays away.”
The best method of controlling absenteeism and tardiness is by preventing them from occurring. This can be done in several ways, all of which may become necessary in order to rehabilitate chronic absentees. This requires complete understanding and support of management if it is to be controlled. All supervisory personnel must be made aware through company policy statements that the control of absenteeism is the direct responsibility of management, one employees and the medical department. Top management should specify the supervisory responsibilities and adopt necessary measures to improve interpersonal relationships between management and employees, for controlling absenteeism.

4) Alcoholisms :-

According to a definition given by an expert sub-committed of the World Health Organisation (WHO), “Alcoholism are those excessive drinkers whose dependence upon alcohol has attained such a degree that it shows a noticeable mental disturbance or an interference with their bodily and Mental health, their inter- personal relations and their smooth social and economic functioning and who show the prodromal sign of such development they therefore require treatment.

Alcoholism is an illness, an illness subscribing to one’s physical sensitivity on par with a mental obsession for a drink.

Alcoholism is an age old social, physical and environmental problem, but today it is generally considered a psychiatric one. Actually, Mental problems may not be the underlying cause of alcoholism since non- alcoholics often have the same apparent mental problems as alcoholics. Nevertheless, alcoholism creates “lost weekends”, increases marital flare-ups, destroys physical health, brings financial crisis, and causes anti-social behaviours. Numerous statistical investigations have shown that alcohol is at one origin of offence and accidents of all kinds. The chronic alcoholic may subconsciously feel that work itself is one of his problems and that all these problems interfere with his drinking, which is his only solace. Whenever drinking consistently interferes with the job, the physician is obliged to call it alcoholism. Industry has recognized the disastrous effects of alcohol on its workers over one last 30 years. It has found that excessive drinkers have a higher rate of sickness, inefficiency, absenteeism, and a higher accident proneness. General opinion is coming to accept that action must be taken within industry itself to reduce the problem of alcoholism. This action is justified by the facts that alcoholism detected and treated at a sufficiently early stages, is usually curable.

Although alcoholism, or problems drinking has medical, social, and economic ramification, experts view it as a disease with
identifiable cause and a cure. Prevention should be at three levels: education, improvement of working conditions and catering for worker foods and drink requirement. Awareness programmes must be conducted with skill and persistence and the assistance of both management and unions is invoked. It should take place on an individual basis or be directed at small groups of worker who run a high risk of alcoholism. Education action should be undertaken by the industrial medical officer, the industrial nurse, the safety officer and related social welfare agencies. The improvement of working conditions can also contribute to the reduction of alcoholism. Attention to the worker’s nutritional requirements and dietary intake is an important measure in preventing alcoholism in the industry.

5) **DRUG ABUSE**

A drug of abuse is any substance taken through any route of administration, that alters the mood, the level of perception, or brain functioning. Such drugs include substances ranging from prescribed medication to alcohol to solvents. The current explosion of non-medical drug usage has become a true personal problem. A much greater number of people of all ages are becoming involved in the abuse of drugs. A new awareness of this hazard has resulted in both governmental and private groups working towards the proper solution of the continuing problems. Nevertheless, more medical drug abuse is a growing cause of concern and will require expert management.

6) **SMOKING**

The use of tobacco by worker and the general population continues to increase world wide. Smoking is thought to be an important factor in the development of many disorders of clinical and public health importance. Smoking in the workplace may lead to contamination of cigarettes and other tobacco products, as many substance present in tobacco are also present in the working environment. Therefore, smoking can increase exposure to those chemical agents for instance cold dust and cigarette so smoking produce an additive effect in obstructive airway disease. Similarly in cotton workers cigarette, smoking will increase one prevalence of the early stages of byssinosis. There is possible relation between smoking and lung cancer. Asbestos workers with smoking habits have been found to show a much higher lung cancer risk than asbestos worker who were non-smoking.

**The advantage of non-smoking are:**

1. Non-smokers have less absenteeism than smokers.
2. Non-smokers have fewer illnesses. Smokers are particularly susceptible to invading viruses and bacteria. They catch the common cold 15 times more often than non-smokers.

3. Non-smokers have fewer chronic diseases leading to early disability. Smoker’s diseases often turn employees into permanent invalids, necessitating early retirement and costly monetary compensation.

4. Non-smokers have fewer work accidents. Smoking is often a distraction and can lead to accidents (e.g., many car accidents occur because one driver keeps on searching for lighting or disposing of a cigarette and in the process his attention gets diverted.

5. Non-smokers tend to be more productive. They don’t take time out for “smoking breaks” nor do they fumble with matches, lighters and ashtrays.

6. Non-smokers make a better impression with the general public. Receptionists, sales, people and executives present a better image if they don’t smoke. They smell better, look better and don’t risk offending non-smokers who don’t like smoke.

7. Non-smokers are less destructive of company property. Fire damage caused by careless smoker represents huge financial losses.

2.5 SUMMARY

Personal problems cannot always be left at home. Sometimes they travel to work. Both engineers and psychologists have been concerned with the establishment of illumination standards for different types of work, the influence of temperature and other atmosphere conditions, the effect of noise and the efficiency of music in relieving monotony and even facilitating certain types of work. Individual differences enter into all aspects of behavior which naturally affect their work methods and performance. There are a number of distress systems that need careful handling. Disturbed persons are seldom able to concentrate and may be highly agitated. Bad working conditions in industry result in lower and poorer production, difficult relationships with other workers, inadequate attention and concentration, memory lapses, tardiness and absenteeism. Alcoholism is another major disease that does great damage to national productivity. Company policy often recognizes the problem as an illness that can be cured and offers one problems employee an opportunity to cure himself.

2.6 CHECK YOUR PROGRESS

1. What do you mean by work environment.
2. How work environment influences work behaviors?
3. Discuss fatigue
4. How accident can be avoided from industries?
5. Why absenteeism is a universal problem?
6. Highlight advantage of non-smoking at work—place?

2.7 REFERENCES


2.8 QUESTIONS

1. Discuss work behavior at workplace with refers to sociology of work.
2. With reference to sociology of work, explain, work environment and work behavior.

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3.4 Professional attributes
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3.1 OBJECTIVE

1) To acquaint students with varieties of work exists in formal organization.
2) To Study about professional work and its importance in organization and society.
3) To analyses the role of female in modern industry and the feminization of clerical work.

3.2 INTRODUCTION

The term work in wider sense is activity. According to encyclopedia of social sciences ‘work’ means any economically useful activity, oxford dictionary defines work as an expenditure of energy, striving application of effort to some purpose, economically is one of the major factors of production consisting of physical or mental exertion, for which payment s received.

3.3 VARIETIES OF WORK ATTRIBUTES

Of all the varieties of work, professional work is the most prestigious and perhaps the most visible.

Wilson, 1944, Each profession has its own basic body of knowledge (Parsons, 1959). Students go to medical schools, law schools, and graduate schools to learn this knowledge. Then they can either apply it in practice or use it for future theoretical development in the laboratory or the library. The most frequently cited list of professional attributes may be that of Greenwood (1957) who
proposed the following five key professional attributes. A profession must have research based, systematic theory.

3.4 PROFESSIONAL ATTRIBUTES

1. A profession’s practitioners must have authority over clients. “Doctors orders” is a familiar term that exemplified this form of authority. Unfortunately, this criterion seems to imply that clients have neither the knowledge nor ability to make judgments that affect their own lives. Naturally, many clients are offended by such an assumption, furthermore, some forms of professional work have trouble identifying clients for instance, it is difficult to name the true clients of the scientist at a laboratory bench.

2. The profession must have formal and informal community sanction. Many professions are licensed or certified by state agencies. For example, most states require that veterinarians undertake specific professional studies, follow specific procedures (including personal conduct while taking their exams) to get a state license and advertise in limited ways. Similar regulations govern chiropractic, social work, architecture, public accountancy, medicine and nursing. Law is regulated through the court system. In addition, powerful professions as such as law and medicine have strong say about regulations concerned with their practice. Weaker professions have not been so fortunate. Often the regulations that govern them are shaped by a more powerful profession. Nursing and pharmacy, for example, follow many rules dictated by physician in professional confidence. The information that a client gives to a professional is viewed as privileged, which protects the rights of the client and reaffirm the authority of the professionals.

3. The profession must have a code of ethics. The profession itself is charged with ensuring that ethical standards are followed in interactions with clients and follow professionals.

4. There must be a professional culture: Norms governing membership in professional associations, the appropriate sites for practice and standards and locations of professional training. Professional culture also involves the language and symbols associated with a particular kind of professional work, which serve to separate professionals from outsiders.

The Power Perspective :-

Rot’s (1972) direct attack on the attribute approach to the professions was developed diving the same period that the power approach was being developed. The attempt to define what a
profession was through lists of attributes was virtually, abandoned. The new thrust became defining how an occupation becomes a profession.

**Internal Threats to Professional Power :-**

Wide variation exists in professional practice based on location of work (whether urban or rural) organizational affiliation (whether self employment as a solo practitioner or employment as a salaried staff member of a large corporation) and type or degree of specialization (whether a general practice or a highly esoteric specialty.

**External Threats to Professional Power :-**

Organisations threaten the power of professions in two ways. First, they threaten individuals when the organizational goals, control, supervision, incentives and decision making conflict with professional norms and standards. For the military psychiatrist for example, good psychiatric practice might conflict directly with military needs, because a diagnosis of battle fatigue could keep a soldier out of combat. The key factor is the autonomy of the individual in the face of organizational demands.

Seconds, organizations threaten professional power in a more general ways. Because the organization is the employer and the professional is the employee, the organization wins when organizational norms run counter to those of a profession. The results in some cases, is the organization absorbs some professionals (Evans and Laumann, 1983). A surprisingly large number of people move out of the professions in which they begin their career. Such movement is common in the engineering professions, where people are often promoted out of the ranks of engineers into the ranks of managers and administrators (Perrucci, 1973; Perrucci & Gerstl, 1969)

### 3.5 **MANAGERIAL WORK ATTRIBUTES**

Another high- status, high- power occupational group consists of executives, managers, officials and administrators of interest is that managers share many values with members of the professions, which is not unexpected given the generally high social position of both groups (Wuthrow & Shrumm, 1983). In an industrial society, however, the key group is management [Campbell, Dunnette, Lawler & Weick, 1970]. This group comprises people who decided how to use society’s resources to produce the necessary goods and services.

Above all managerial work is organizational. It is carved out at the very top of organizations in the case of executives, or throughout the what is known as the managerial hierarchy. Both public and
private organizations entities as diverse as Proctor & Gamble, the State University, the American Red Cross, the U.S. Departments of Labor, Apple Computer and Ben & Jerry’s Ice cream rely on people engaged in this form of work.

In general, management is the term used in private sector. The not for profit sector, such as hospitals and museums, uses administrators, governmental agencies employ officials. The term executives is used across sectors to refer to management people at or near the organizations top Executives include the chief executives, officers (CEC) and those people frequently, vice presidents who report directly to the top executive.

Management Classifications:-
Unlike professionals, who are classified primarily on the basis of industry, managers tend to be classified primarily on the basis of their position within an organization. The two dimensions of classifications are line versus staff work and level of management.

Line Versus Staff Work
Managers are often classified as doing line or staff work (Dalton, 1950, 1959) Line work involves direct management of whatever it is the organization does production, sales management or management of such activities as transportations, communication and purchasing hospital or museum administrators would also be considered line managers.

STAFF WORK:-
It involves some kind of expertise such as human resources management, public relations management, accounting or law (Smigel 1964] In high technology industries, however what is typically thought of as staff work, such as engineering or systems design work is actually line work. In some ways, staff management could be considered professional work. The key point is that staff managers provide expertise for other managers (Montagha 1977) staff work has grown in importance as organizations have become more silent on specialized expertise.

WHITE COLLAR WORK:-
It is clerical and sales work. It is a very rapidly growing segments of the labour force. In 1990, white collar workers made up to only 7% of the labor force. In 19000 white collar work was figure 28% (U.S. Department of Labour,1990). Like managerial work, white collar work is organizational work, but it has much lower status and much less power.

CLERICAL WORK :-
Office work has changed dramatically for two reasons first. The demand for office workers is rising as a result of important organizational developments. Organizations have grown larger and
more complex requiring more administrative or coordinating activities. (Blav & Schoenherr 1971) There has also been an explosive growth of information handling organizations such as banks insurance companies, financial companies or institutions government agencies and communications firms. This growth, combined with the decline in goods producing industries has resulted in a shift in demand from unskilled or semi skilled laborers to clerical employees who are capable of working with symbols rather than things.

Office work has changed because of technological development, which has changed in four stages (Shepared, 1971) The first stage was characterized by “craft accurate work” which includes the fast and accurate shorthand of the secretary the precise accounts of the book keeper and the personances of Mills ledge clerk. In the second stage, ‘early mechanizations”, typewriter, adding machines and dictating machines were introduced. There required skills, but not the highly development craft of the earlier era. The third stage was “punched card data processing”. The IBM card became universal and people were employed as keypunchers, verifiers and business machine operators. At this point office work began to resemble favour work. The fourth and current stage is “electronic data processing”.

3.6 THE FEMINIZATION OF CLERICAL WORK

As these changes were occurring white collar work was also becoming feminized, or dominated by female workers. The introduction of the typewriter was the key reason. The Remington company hired women to demonstrate the new machines [Fox & Hesse- Bisber 1984]. Typing become a “Femine Speciality” (Glenn &n Feldberg, 1979) Typing did not take over men’s work because the work simply had not existed before. Women were also far more likely to be hired as telephone operators because they were viewed as “more dexterous and chatly than men.

Sales Work :-
Sales work is not completely routinized of course. By controlling the customer, sales workers enhance their chances of making the sales and also are able protect their own self concept. Automobile sales people, for example prefer to have customers that they have recruited rather than people who walk in off the street (Miller, 1964). The person who just wanders in is a unknown while the sale workers own “purports” have some certainly about them. In a similar fashion, the travel agent a seller of a service tries to develop regular clients. Still although travel agents can exercise dome discretion by suggesting routes or accommodations they are ultimately by published timetables, fares and regulations.
**Blue Collar Work :-**

Workers share one major distinguishing characteristic. In one way or another they are involved in goods not services. They can be employed in the:-

Extraction of a raw material as are minerals, oil, rig workers and lumberjacks.

Physical assembling of a product as are auto workers carpenters and garments workers.

Repair of a product as are airplane mechanics telephone repair persons and shoe repair persons, and

Distribution of a product, as are truck drivers, railroads engineers and gas pipeline workers.

**Foremen And first line Supervisors:-** The term fireman is generally accurate because the overwhelming number of first line production supervisors are men. Indeed ever where there are both men and women workers, there is a strong tendency for men to be promoted into the supervisor positions (for analyses of this pattern see South, Bonjean, border and Markham, 1982, Wold & Fligstern, 1979a). Still female first line supervisors face the same dilemma as their male counterparts. The first line supervisors role is not an easy one. Writing some four decades ago. Roethlisserger (1945) noted that in theory at least the fireman “ has to be a manager, a cost accountant, as engineer, a lawyer, a teacher, a leader, an inspector a disciplinarian, a counselor, a friend and above all an example, “Quite obviously, no one could have all of these skills experts at the managerial level have taken over most of these duties (Miller and Firm 1964) Thus the primary duty of todays fireman is direct supervisor.

This supervisory role is complicated first by the origins of the supervisors. Traditionally, foremen have been promoted from the rants of the workers. There is mixed evidence in regard to the extent to which members of the rank and file desire promotion to fireman. One study of automobile workers found that they viewed promotion to foreman as desirable.

**3.7 SEMISKILLED WORKERS**

The large majority of factor workers are semiskilled workers, persons who operates a multitude of different machines. There are filters, polishers, Sanders, buffers, punch and stamp press operators, welders, drill press, operatives, grinders and winders, automobile assembly line workers, rubber, chemical and paper plant workers. Shoe factory workers and many hundreds more.
Individual factory workers do only a small portion of the assembly. They are expected to meet certain production goods and are closely supervised.

Factory work has declined in the United States, which has been described as being in the throes of “deindustrialization.” Semiskilled workers composed 20% of the labour force in 1950, but only 11% in 1990 (U.S. Department of Labour 1990) Several factors are contributing to this decline. First U.S. employers seek the lowest cost for their production processes. Many are going “offshore” placing manufacturing operations in other countries or buying components made overseas. The second factor is very strong competition from well-run organizations in other countries. Japanese electronics and automotive firms have demonstrated innovative ways to design and process products many of which reduce the need for semiskilled workers. Finally automation and robotics are having a profound effect on the availability of semiskilled.

### 3.8 UNSKILLED WORKERS

Aside from farm work, unskilled work is the category that has declined most rapidly in the United States. In 1900 some 13% of the labour force was in unskilled work by 1990 this figure has declined to only 4% (U.S. Department of labour, 1990) the nature of unskilled work and technological change explain this phenomenon. Unskilled work involves physical labour such as digging ditches, unloading trucks or railroads cars and hauling lumber and other materials at a construction site. The basic criterion for unskilled work is he appearance of having enough stunts to anomalism the work pear pure who engage in unrolled work are called caperers, a town with strong wreathe connotations especially when it is combined with a mealier to serums common lesson

### 3.9 OTHER WORK

The neat hierarchy of occupations urged by the u s bursar of the censes does not adequate amount for four significant types of work. Service work four work, house work and work in the underground women.

**Service Work :-**

Stratutically, a major from of work that has not yet seen discussed is service work official government statistics indicate an increase in service work from 4% of the 1900 labour force to 13% of the 1990 labour force (U.S. Department of Labour 1990). Not entirely by incidences there are exalts the opposite of the purchase of unskilled workers.
Term Work :-

Four work is in obvious delaine as a from of work in the United States. In 1990 some 38% of the labour for was in farming by 1990, this figure had dunged to 3%. This is not the care wordage however. Farm work is the major for of work in Third World countries, and 70% of the Third World female population is involved in agriculture (Bounding 1980). In the United States and elsewhere, technological changes industrialization and greatly inversed from powelvity have led to readied dearer in from work.

House Work :-

This type of work can be controversial feminist authors argue that housework is inherently. Oppressive from women (Hartman, 1981, Oakly 1924, 1980) Markets view housework as the by risqué of a large social conflict (Berk & Berk, 1979, Berk & Shih, 1980). Spokespersons from the for right such as Phyllis schlogy by world view homework as the most rewarding and mural activity for a woman (see Eisenstein 1982).

We can perhaps steer a course through. These political reefs by first describing the nature of housework and then political reefs by first describing the nature of housework and then and who does it an under what ram Stones.

3.10 SUMMARY

We have exploded a variety of work forms in this chapter, Beginning with the professions. At one time, sociologist attempted to define professional work in from of attributes. This effort was largely abandoned when it was realized that gaining and maintaining power was the essence of twining an occupation into a purposing. The task is not early given all of the ongoing through to the professional status of occupation.

Another set of high Status occupation induces executives, manager. Officials and propagators. Except for proprietors, managers are organizational relation and guardians. There occupation are in all segments of society government business the acts, sports and leisure.

Clerical and sales work, which are next on the hierarch contuse white color work. These tend to have gender segregation with women in the lower paying jobs with less autumn and control.

Blue Collar work has a but of earthy. First Line supervisors and skilled craft workers are at the top of the hierarchy flowered by semiskilled operators and unskilled workers. Technological change
and off shore manufacturing however, are reducing the options for blue color workers.

3.11 CHECK YOUR PROGRESS

1) Discuss professional attributes at work place.
2) Why various states have taken professional studies.
3) Highlight management classification exists in modern organization.
4) State difference between while collar worker and blue collar worker.

3.12 REFERENCES


3.13 QUESTIONS

1) Discuss various work attributes with reference to sociology of work.
2) Explain varieties of work exist in modern bmeaucratic structure.
RISE OF INDUSTRY

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4.2 Introduction
4.3 Meaning of industry
4.4 Characteristics of industry
4.5 Growth of industries
4.6 Impact of industry on society
4.7 Entrepreneurship – Introduction
4.8 Definition of Entrepreneur
4.9 Entrepreneurial culture
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4.12 Summary
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4.1 OBJECTIVE

1) To bring awareness about modern industry and characteristics of industry
2) To acquaint students with meaning of entrepreneur and entrepreneur culture.
3) To analyses students with successful features of entrepreneur skills.

4.2 INTRODUCTION

Industry may be defined as the application of complex and sophisticated methods to the production of economic goods and services”. These complex methods, which imply the use of machines, have been devised in order to improve the quality of production. Modern industry, to which this definition more properly applies originated during the industrial revolution in the second half of the eighteenth century and is still developing in our times. Men, in a certain way, has always been industrial in the sense that he has always used tools to obtain food and satisfy his needs. Today, the complex and sophisticated machines are used to produce economic goods and services.

4.3 MEANING OF INDUSTRY

Thus industry means a system of production in which machines are used to produce goods on a large scale. In fact, the term industry is used today to refer large scale factory mode of
production where a large number of workers come together to work with machines. This system involves the scientific or intentional method to increase the production. In such a method i.e. industrial mode, the capitalists invest a large sum of money and hire the labour. They also invest in land, building factories, installing machines and buying raw materials. Another group workers are contracted to work on some fixed terms and conditions suited to long term production.

4.4 CERTAIN CHARACTERISTICS OF INDUSTRY CAN BE CITED HERE

1. Concentration of the productive process in large factories or places located near the sources of motive power raw materials or markets. This meant accumulation of fixed capital and free labour to work it.

2. Use of inanimate sources of energy machines run on electricity or steam are used for the purpose of production. Because of machines the production increased and the cost reduced.

3. Differentiation and specialization of labour: The whole process of production is split into a number of simple and smaller stages or steps, in which specialized groups of workers are engaged. As the workers do the same work everyday, they become expert. The process of production goes very fast. All the stages of production are run simultaneously, this further speedening, the pace of production. This has reduced the cost drastically and increased the margin of the profit very high.

4. Entry of more entrepreneurs: As the process of production became highly profitable, more and more entrepreneurs entered this field.

5. Relationship between capitalists and workers:

   This is formal contractual and temporary relationships between the capitalists and workers. Workers and weak compared to the industrialists as they have more powers economic and political.

6. Large scale production. With the use of various big or small machines and finely divided process of labour, it is possible to produce goods on a large scale. This has given the opportunity to expand market.

7. Expanded markets: Earlier only rich and upper class could buy the industrial products as they were very costly, low due to cheap and large scale manufacturing of various consumable items, it is possible for the middle class and low class people to buy them.
4.5 GROWTH OF INDUSTRY

Growth of industries is called industrialization. This process is so wide and involve deep rooted changes in each and every aspect of human life.

In the beginning of the 19th century when the inventions of machines and specialized division of labour encouraged a number of entrepreneurs to start factories for mass production, the whole society is changed soon. Entire Europe adopted this mechanise production, the whole society is changed soon. Entire Europe adopted this mechanised production to manufacture on large scale. The pattern of consumerism is changed values and beliefs also transformed. Rationality and materialism replaced traditional blind forth and religious superstitions and non-material other woudly ascitism. People soon used to material industrial goods and began leading a different life style. Such widespread changes which affected family system, habits, aspiration education and leisure are called industrial revolution. This was the first industrial revolution.

Impact of industry:- When complex machines are used its impact on human beings in factory and office.

1. As programming of operations became integral with the machine, there was extensive use of machine paced work. This took the timing and pace of work out of the hands of the worker and gave rise to the image of the worker as a ‘cog’ in the machine.

2. In order to achieve high speed output, highly specialized machine were constructed, so that the number of different operations performed by worker as well as the amount of knowledge required by each worker, as well as the amount of training. The general process is known as “work simplification” or job dilution and it permanently is distasteful to workers due to the repetitive character of work it generates and the resultant lack of technical challenge.

3. Successive stage manufacturing line production and line assembly became integral features of most industrial processes. This had as its major human consequence detachment of any given work operation from the finished product to which it contributed. Men no longer saw the finished product as their own work and know where their own work fitted into it. This presumably destroyed the sense of workmanship and pride in output.

4. Design of machine processes and products and management of production became specialized activities of engineer’s technical staff and the line managers, technical and intricate industrial knowledge became centered in a call of like specialist when
training and operating functions effectively closed the entry of majority of industrial workers.

4.6 IMPACT OF INDUSTRY ON SOCIETY

1. A large middle class has been developed due to various skilled occupations in industry. Many individuals with specialized knowledge began working in industries and rose to higher status.

2. Pattern of consumption:- The society became market oriented. Since most of goods were available in market people started buying them. They became materialists in attitude.

3. Family system:- Since individuals only could more to cities in order to working factories, joint family disintegrated to single individual nuclear families.

4. Values: Rationality and secularism became male popular people criticized their traditional beliefs and readily adopted new patterns.

5. Education system:- The institution of education readily adjusted to the requirement of industry. Necessary skills were imparted to the individuals in order to enable them to work in the industries.

6. Social stratification and mobility. With the industrial jobs many people earlier in lower ranks lose to higher ranks and thus moved to upper status.

7. Readiness to change: With the exposure to mass media and new information, individual adopted new technology and desired to change their traditional way of life.

But in 1960’s, this era entered into another phase of development what we call post industrial society or the “Age of Automation”, Automation is called programmable machinery. This has implication that is true revolutionary for the machine relationship.

The two technique contribution of the worker’s production ability to program operation and to sense and feed back control signals have both been incorporated in the machine complex through automation. It is now necessary instruction for carrying out detailed and complex operation. Similarly it is now possible to employ mechanical and electronic feed back device which take information form on going process and use this to modulate and monitor the operation by feeding corrective signal back into the process. Machines can even what man is not capable of doing because of his psychological limitation.
The fundamental features of the second industrial revolution is thus its introduction of the great cause inspiring possibility that man can be substantially eliminated from the production of many goods and services. This is already a problem in most industrially advanced countries including USA.

4.7 ENTREPRENEURSHIP- INTRODUCTION

In the middle ages, the term entrepreneur was used to describe both an actor and a person who managed large production projects. In such large production projects, this individual did not take any risks, but merely managed the project using the resources provided, usually by the government of the country. A typical entrepreneur in the middle ages was the cleric the person in charge of great architectural works, such as castles and fortifications, public buildings, abbeys and cathedrals.

17th Century:-

Richard Cantillon, a noted economist and author in the 1700s, understood laws mistake. Cantillon developed one of the early theories of the entrepreneur and is regarded by some as the founder of the term. He viewed the entrepreneur as a risk taker, observing that merchants, farmers, craftsmen and other sale proprietors “buy at certain price and sell at an uncertain price, therefore operating at a risk”.

18th Century :-

Many of the inventions developed during this time were reactions to the changing world, as was the case with the inventions of Eli Whitney and Thomas Edison. Both Whitney and Edison were developing new technologies and were unable to finance their inventions themselves.

Whereas Whitney financed his cotton gin with expropriated British crown property, Edison raised capital from private sources to develop and experiment in the fields of electricity and chemistry. Both Edison and Whitney were capital users, not provides (venture capitalists). A venture capitalist is a professional money manager who makes risk investments form a pool of equity capital to obtain a high rate of return on the investments.

19th and 20th centuries:-

Carnegie invented nothing, but instead adopted and developed new technology into products to achieve economic vitality. Carnegie, who descended from a poor Scottish family, made the American steel industry one of the wonders of the industrial world, primarily through his unremitting competitiveness, rather than his inventiveness or creativity.
The concept of innovation and newness is an integral part of entrepreneurship in this definition, indeed, innovation, the act of introducing something new, is one of the most difficult tasks for the entrepreneur. It takes not only the ability to create and conceptualize but also the ability to understand all the forces at work in the environment. The newness can consist of anything from a new product to a new distribution system to a method for developing a new distribution system to a method for developing a new organizational structure. Edward Harriman, who reorganized the Ontario and Southern railroad through the Northern Pacific Trust and John Pierpont Morgan, who developed his large banking house by reorganizing and financing the nation’s industries, are examples of entrepreneurs fitting this definition. These organizational innovations are frequently as difficult to develop successfully as the more traditional technological innovations (transistors, computers, lasers) that are usually associated with being an entrepreneur.

4.8 DEFINITION OF ENTREPRENEUR

To an economist, an entrepreneur is one who brings resources, labor, materials and other asset into combinations that make their value greater than before and also one who introduces changes, innovations, and a new order. To a psychologist, such a person is typically driven by certain forces need to obtain or attain something, to experiment, to accomplish, or perhaps to escape authority of others. To one businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur may be an alley, a source of supply, a customer, or someone who creates wealth for other as well, who finds better ways to utilize resources and reduce waste, and who produces jobs others are glad to get. Entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time and career commitment or provide value for some product or service. The product or service may or may not be new or unique but value must somehow be infused by the entrepreneur by receiving and locating the necessary skills and resources. Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence. This definition stresses four basis aspects of being an entrepreneur regardless of the field. First, entrepreneurship involves the creation process- creating something new of value. The creation has to have value to the entrepreneur and value to the audience for which it is developed. This audience can be :-

1. The market of buyers in the case of a business innovation;
2. The hospital administration in the case of a new admitting procedure and software;
3. Prospective students in the case of a new course or even college of entrepreneurship; or
4. The constituency for a new service provided by the non profit agency. Second, entrepreneurship requires the devotion of the necessary time and effort.

According to Francis A Walker. The true entrepreneur is one who is endowed with note than average capacities in the task of organizing and coordinating the various other factors of production. He should be a pioneer, a captain of industry. The supply of such entrepreneurship is however quite limited and enterprise in general consists of several grades of organizational skill and capability. The more efficient entrepreneurs receive a surplus reward over and above the managerial wages and his sum constitutes true profit ascribable to superior talent.

4.9 THE ENTREPRENEURIAL CULTURE

Entrepreneurship is “risky” mainly because so few of the so-called entrepreneurs know what they are doing. They lack the methodology. They violate elementary and well known rules. This is particularly true of high tech entrepreneurs. To be sure, high-tech entrepreneurs and innovation are intrinsically more difficult and more risky than innovation based on economics and market structure on demographics, or even on something as seemingly nebulous and intangible as Weltanschauung perception and moods.

Emergence of Indian multinationals which could combine the innate shrewdness and hardworking ethics of the Indian culture with the sophistication and strategic vision that characterise the western business culture. In some ways Indian business, because of our inherent multiethnicity and greater facility with the use of English language are in a better position than the Japanese or Brazilians or Koreans to create strong hybrid multinational business culture. Now that the shackles have been removed from Indian industry his possibility is real.

4.10 MEANING OF ENTREPRENEURIAL CULTURES

An entrepreneur has been described as a person who organizes, manages and assume resistibility for a business or an enterprise. The entrepreneur could therefore mean to be an individual who perceives the profitability in production of goods or service and organizes accordingly. In effect he is a vital contributor to the bottomline of the venture can there be entrepreneurs without owner worker status or amongst the organizational work force who are compensated by fixed emoluments unrelated to the productivity and profitability certainly yes, in the light of the fact that the growth and
prosperity of individuals is inexplicably interwoven with the success and sustenance of the organisation.

The emerging market environment and globalization is challenging every organization and every person in the organization to consider, evaluate and bring about changes in thinking, vision, and action. And the change that need to be brought about should facilitate organization in becoming history and it is no longer adequate.

The world is on the threshold of economic history and it is no longer adequate if the organization just makes profit or generate surplus-the output has to be maximum from the grass roots level onwards so that the entire organisation shows a healthy growth. Each individual has to become a unit of production in himself and has to assume full responsibility of the assigned task with the philosophy of producing positive results and contributing not only in full measure, but substantially to the over all good and growth of the organisation. The new setting commanders transformation to ensure optimum utilization of the resources –Men money and materials –provide a distinctive contribution to the organisation's property and keep evolving strategies for a sustained competitive edge. And as an entrepreneur one has to review, evaluate and asses one’s performance and take decisions.

4.11 CHARACTERISTICS OF OR TRAITS OF ENTREPRENEUR

Entrepreneur is a term applied to the types of personality who is willing to take upon herself or himself a new venture or enterprise and accepts full responsibility for the outcome. Some of the common characteristics are as follows :-

a) Entrepreneurs must work long hours at his work place there they must have good health, so they can spend maximum time at work place.

b) Entrepreneur have maximum authority and responsibility there they must welcome latest machine at work organization, do not work well in traditionally structured organization.

c) Entrepreneurs must be honest and aware about the situation at work level which helps them in decision making. Entrepreneurs are very often related with performance and accomplishments as business success is measured by profits.

d) Entrepreneurs are drivers to succeed and expand their business. They see the bigger picture and are often very ambitions. Entrepreneurs set massive goals for themselves and stay committed to achieving them regardless of the obstacles that get in the way.
e) Successful enterprises are attracted to challenges, but not to risk. It may look like they are taking high risks, but in actually they have assessed the risk thoroughly.

4.12 SUMMARY

Wealth is created when innovation results in new demand. Function of entrepreneur is to work in an innovative manner to generate value to the customer with the hope that value will exceed the cost of the input factors this generating wealth. Entrepreneur is a person who has possession of an enterprise, or venture, and assumes significant accountability for the inherent risks and the outcome. It is an ambitious leader who combines land, labour and capital to create and market new goods or service. This entrepreneur is willing to take upon herself or himself a new venture or enterprises and accepts full responsibility for the outcome.

4.13 CHECK YOU PROGRESS

1. Discuss meaning of industry.
2. Highlights characteristics of industry.
3. Explain growth of industries from 19th century.
4. Analyse impact of industry on society.
5. Define Entrepreneurship.
6. Discuss the term entrepreneur culture.
7. What are the characteristics of successful entrepreneurship?

4.14 REFERENCE


4.15 QUESTIONS

1. With reference to sociology of work, explain the concepts – Attributes and heavier and skills of an entrepreneur.
2. Define and explain meaning and characteristics of successful entrepreneurship.
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5.0 Contents
5.1 Objectives
5.2 Introduction
5.3 Meaning of industrialization,
5.4 Development of industry
5.5 Preconditions
5.6 Conditions for industrialization
5.7 Consequences
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5.11 Post industrialism
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5.1 OBJECTIVES

1) To understand the term industrialization as ever changing areas of technology, continuous growth of complexity in human specialization.

2) To understand the phrase industrial revolution, application of machine power and steam power.

3) To study the requirement of industry interns of market, sources of capital, and available labour face.

5.2 INTRODUCTION

Different countries had different experiences regarding industrial growth. But since the change associated with industrialization has been continuous the lag in some industries could not be felt as other industries developed very fret.

Growth of textile industries we followed by transport development, heavy industry and more sophisticated enterprise such as metal working, chemicals and electronics. In most cases, substantial advances in agricultural output or increased foreign trade or both have been concomitants of industrial development.
5.3 MEANING OF INDUSTRIALIZATION

Industrialization is the system of production that had arisen from the steady development, study and use of scientific knowledge. It is based on the division of labour and on specialization and uses mechanical, chemical and power driven, as well as organizational and intellectual, aids in production. The primary objective of this method of organizing economic life, which had its genesis in the mid 18th century, has been to reduce the real cost per unit, of producing goods and services. The resulting increase in output per man hour has been unimagined. Today a worker can produce as much in half an hour as the traditional worker used to produce in a whole working day some hundred years ago.

The ever changing areas of technology and the society that produces technical change are manifestations of continuing growth of complexity in human specialization in all matters relating to economic life. What begins as mastery of basic mechanical technique ends by creating both the demands and the resources for a revolution in mass education and in science — a change in the ‘quality’ of the labour force.

5.4 DEVELOPMENT OF INDUSTRY

The phrase "industrial revolution" has long been used to identify the period roughly from 1750 to 1825, during which the accelerated application of mechanical principles including steam power, to manufacturing in Great Britain produced an identifiable change in economic structure and growth. Workers were grouped together in factories using concentrations of capital equipment greater in cost and more efficient in operation. These factories utilized a few mechanical innovations (machines) primarily in textiles and iron manufacturing which with the application of the steam engine produced goods on the large scale.

With further differentiation and specialization of labour and scientific calculation of total cost of production it was possible to determine the margin of profit and accordingly the selling prices of the products were fixed. This entailed a large profit on the part of entrepreneurs. The whole factory system was considered a highly profitable venture in economic market.

Earlier handicraft technique of manufacturing either through guild system or putting out system did not work as these techniques were slow and time consuming. Domestic system of production also failed in absence of local supervision of work. Further foreign trade increased. There were demands from overseas customers for products which could not be manufactured under rigid and slow guild system. The raw materials also were to be imported from outside. All these factors led to the development of a new system
— factory system — which required entrepreneurs on one hand i.e. those who could invest a huge sum of money in manufacturing and wait for its return - a long term project and a large number of consumers on the other hand. Since the cost of production could be reduced to a great extent by using machines and a large number of labour, even the middle and lower classes could also buy these products. Thus the expansion of market, ready or steady demands for factory products, the government's support by giving permanent orders for coins and military uniforms etc. gave impetus to the growth of factory system during 1750 and 1825.

5.5 PRECONDITIONS

Since industry cannot grow without markets, and sources of capital, similarities in the economic "preconditions" for an industrial development have been identified. These bases for the development of an industrial sector include (a) an available labour force, (b) markets for finished products, (c) access to raw materials (whether at home or through foreign trade) a source of investment funds (whether from the wealth and savings of the private sector, from the accumulation of the public sector or from abroad), (d) and, finally access to technology. The last has in every case required the extensive development of mass education, because access to technology on a large scale means ultimately access to science. In the long run, successful industrialization has been achieved in these nations which not only realized the preconditions but also were able to adapt to changes in technology which required extensive organisational flexibility at all levels, (e)

Political stability is also one of the condition to encourage industrialization. U.K. and U.S.A experienced their industrial development under conditions of political and economic freedom that •were based on rational and calculable law. Germany, Russia and Japan also in the 19th and 20th centuries developed economically and this indicated that the basic economic preconditions for industrialization are to some extent independent of political framework.

Along with industrialization there were other characteristic phenomena which were directly associated with it. Among these are :

a) Urbanization : Another economic consequence of industrial development is urbanization. Cities were existed since antiquity as trade financial and administrative centres. But until the industrial revolution, urban size was characterized by substantial stability — enough for example city wall.

With industrial revolution the relative stable relationship between town and country vanished and the industrial conurbation began to
spread. Factories brought people together and the principle of proximity brought factories together, it found convenient to be near a labour force, skilled mechanics sources of parts of machinery. Where transportation could bring raw materials together with markets for the eventual products, new cities and factory zones grew up., changing the demographic maps of each area to which industrial growth came.

In India industrialization caused many old cities to prosper while new-cities came up.

**Population growth**: Due to the miraculous development of medical sciences there was control possible over deaths, resulted in decline of death rate. This resulted in higher birth rates and consequently population growth.

**International trade**: Since rising productivity creates markets and rising productivity has been the hall mark of world industrialization, the connection between the great increase in world trade which followed the industrial revolution and the rise of industry has been well established. Import of raw materials and export of finished foods became common among the developed nations.

Widening markets are a stimulus to industrial investment. By 1913 the United States produced 35.8 percent of the world's manufactured goods and the Unites States, Germany and U.K., France and Russia between them produced 77.4 percent of the total world's manufactures and occupied the centre of world trade.

**Migration of Labour**: Not only from rural areas to urban areas but also form one country to other working population shifted to a large extent. In fact availability of skilled labour is the basic condition for further development of industries.

### 5.6 CONDITIONS FOR INDUSTRIALIZATION

Industrialization, in the strict sense of the term entails the extensive use of inanimate sources of power in the production of economic goods and services. Even agriculture (mechanized) and services like transportation and communication are also included in it. It is true of course that manufacturing is an essential ingredient as the machines and instruments used in the production of raw materials or services are likely to be factory produced.

The term ‘industrialization’ is often used in a broader sense as equivalent to any form of economic modernization. Wilbert Moore has emphasized more on social aspects of industrialization but basically all the circumstances under which industrialization and broader economic development generally take place may appropriately start with those most clearly economic in character.
Industrialization, involves, for example extensive remobilization of the "factors of production" including new supplies of capital, new power sources "embodied technology" in capital goods and equipment and workers with skills that are different from those required in preindustrial economy. But behind these economic inputs are the organization of capital markets or the investment decisions of the state, a network of relationships between suppliers and manufacturers, an external or internal training system for workers and so on.

It is a fact that underdeveloped areas suffer from a shortage of capital and generally, a surplus of labour. The problem is to tap both "productive and unproductive savings. The following are the conditions of industrialization in brief.

1. **Accumulation of Capital**
   Capital is the first requirement or condition of industrialization. Unless there is sufficient capital or fund for investment in factories, equipments machines and labour, manufacturing cannot be started. For the formation of capital there must be agricultural surplus. Labour supplies are likely to represent underemployment in agriculture, but the actual diversion of labour to industrial employment is likely to require a reorganization of agriculture. Improved efficiency of labour in agriculture and some actual increase in farm output are needed to supply the needs for food and fibre of those who will not be engaged in primary production. The supplies of workers for industry, although, numerically ample are quite unlikely to have the necessary skills — forget the attitudes and habits — for industrial -work. According to Wilbert Moore, some investment in training will be a requisite for new productive system. Countries which were rich in territory and resources or else engaged in extensive international trade, in capital, raw materials and products could grow successfully economically.

2. **Availability of raw materials**
   Though this is the most important but not essential requirement. Raw material in the sense of minerals can be imported e.g. Japan very poor in natural mineral resources have become the most industrially developed country because it could import them.

3. **A committed labour force**
   A committed labour force is also another requirement. It means that workers must accept the needs of industry and cooperate fully to meet the demands of production. The -workers must be ready to adjust with the speed of machines, supervision, the wage structure and above all mobility. A labour in industrial society must be geographically and skillwise mobile, he must also be able to adapt to new technology.
4. **Large expanded market**
Economically, in order to sustain, there must be demand for large scale production. It must also be expanding for future growth.

5. **Political stability**
As earlier, has been mentioned political freedom of making economic decisions as well as stable government is the important requirement for the growth of industries. Firm government policies support the industries. Contracts or financial transactions must be legally bound and violators must be punished.

6. **Entrepreneurial ability**
David McCleland has argued that desire for economic development is necessary for any kind of material growth. The entrepreneur is considered so important that he becomes a factor of production like land labour and capital.

7. **Differentiation and specialization of labour**
The new technology which signifies division of the total production process into a number of simple stages or steps to each of which a specialized group of workers is involved, is the most important technical condition of industrial growth. There must also be a systematic structure based on authority and specialized skills to make appropriate decisions.

8. **Institutional structures**
As to the requisite organizational and institutional structure, we may note some further normative conditions for industrialization.

Property rights must be transferable if land, raw materials and other material factors of production are to be converted to new uses and passed, say, from supplier to manufacturer to consumer.

Transfers of power over and responsibility for the materials of production are very necessary. Labour too must be transferable. This means the establishment of a "labour market" and a system of financial and other rewards to induce workers to move from one economic sector to another, one employer to another, one skill level to another and so on. At least fixed hereditary assignment of economic roles must somehow be broken down in which individuals would be free for other types of activities. Eventually, a whole new structure of social placement and relative status must be established however, this structure may be viewed as a consequence rather than a condition of economic modernization.

Contractual system must be fair, and legally binding. There must be restraints on monopolies or other competitive strategies. Industry, in particular, commonly involves assembling the factors of production over considerable distances and over considerable periods of time. Systems of credit, stabilization of currency and its rates of
exchange and state fiscal policies of some reliability are thus necessary.

In newly developing countries of today, the State is likely to play a prominent, overt and often dominant part in developmental policies and their concrete implementation. State can only have legal and financial control over new developments both in social and economic sectors.

9. Motives and values
It is also true that industrialization and other measures of economic development have become instruments of national policy in virtually the entire world. This brings the question — What should be the motive of those who join industry or any other economically profitable work. Secondly what are their values? Classical economists say that individuals would act rationally in ways designed to maximize their own material self interests. Though other interests beyond basic needs are not explained, these motivational assumptions are quite clear in understanding that once the possibility of economic betterment is widespread, discontent with poverty also become widespread. Then individuals themselves would work hard. Thus achievement orientation as McCleland has emphasized is the main motive behind economic prosperity.

Entrepreneurship is another value i.e. 'taking risk' which motivates industrial growth. Values like rationality, individuality and impersonalism are required for the growth of industries. In the first place rationality or scientific attitude or logical calculation or argument is the first requirement, religious values or blind faith must be replaced by secular values derived from logic and science. Rationality and impersonality are the bases on which industrial organization is formed.

The effects of industrialization are many and extensive. It is appropriate to start with the structural features of society that are primarily economic in form and function, then to proceed to the demographic and ecological characteristics of populations rearranged by economic development and finally to attend to certain outstanding features of social organization.

5.7 CONSEQUENCES

Development and Impact of Industry on Society
Economic Structure
a) A monetary basis of exchange is essentially a prior condition for any substantial industrialization. The goods have to be marketed, workers are to be paid. Services are to be economically rewarded. Financial transaction became very common.
b) **Change in occupational structure** - There is need and demand for skilled labour in most of the areas of factory production. As labour is finely differentiated and specialized, a variety of occupations have come into existence. For each of them, there is need of skilled and educated worker. This demand for differentiated services increases with time. Several interrelated and continuing processes of change in occupational structures can be traced to industrialization.

c) **Demographic and ecological effects** : By very indirect and largely unintentional means, industrialization tends to create parts of its own labour supply. This comes about by mortality reductions deriving from the whole range of public health, medical and food producing technologies. Birth rates, however, are not so immediately affected; they may in fact increase slightly, owing to better health and nutrition. After sometime, birth rates also declined bringing population under control.

Industrialization is commonly associated with a high rate of urbanization though in developing areas like in India the rate of urbanization is faster than that of industrialization. The cities increase both in number and in population. Due- to better opportunities offered by industrialization, many rural people shifted from land to cities. The urbanization i.e. migration shows dissatisfaction with the present condition. The cities of the world, even if not important manufacturing centres are "not independent" of industrialization.

**Socio-structural Changes**

1. Most conspicuous and far reaching, perhaps, is the impact of industry on kinship and the family, for in many non-industrial societies, the family relationships constitute the major source of social position and personal identification. The required geographical and social mobility of and industrialized economy clearly weakens or breaks up the multi-generational and laterally extended 'corporate' kin group. Initially in the nuclear family the youth goes out to work in a different industrial atmosphere, there may be some inter-generational tensions but later as the family becomes modernized tensions are less apparent.

For many of those displaced, there is little social framework between the immediate family and the native family. There is then feeling of loneliness, apathy, alienation and criminal conduct. As a result, there is an increase in the number of voluntary associations to which these displaced members like to belong.

2. The institutionalization of **rationality** i.e. an emphasis on problem solving and impersonal, relationships — often leads to a kind of "instrumentalism and lack of fundamental value orientations. The
family retains its importance under these circumstances as an affectional and personal set of relationship.

3. Industrialization also affects differentiation and stratification. The manager and the managed, the capitalists and workers represent two extreme type of positions having differences of income education and power. There is also rise of middle class due to an increase in ‘professionalism’ i.e. specialised knowledge.

Marx has rightly pointed out that due to the exploitative tendencies of the capitalists the workers get discontented, violent and the conflict between them will continue to increased.

4. Environment — Nature is adversely affected by rapid exploitation due to industrialization. Smoke noise air pollution water pollution are the inevitable results of industrialization. Continuous extraction of minerals and oil resources also leads to serious danger of getting them exhausted very soon. Bad air and polluted water also give rise to many diseases which are incurable.

5. Impact on community: With the growth of industries, the traditional community underwent drastic changes. Its closely knit character disappeared, either generally or suddenly. The development of industries calls for a "mobile working force", this has resulted in a mobile population, socially and geographically. The industrial work does not give security as the agricultural work due to its land property. The worker has to depend solely on factories for his livelihood.

6. Family disorganization. Divorce and separation have become rampant in industrialized societies resulting in family disorganization. The growth of individualism has affected the institution of marriage and parent child relationship.

7. Status of women. Due to greater opportunities of education and employment outside, -women receive more power and higher status. The family income is increased and its role in economic activities as a consumer unit is continuously increasing.

8. Impact on education: There is more demand for higher skills and education. As a result the rate of literacy has been increased. In India it is 65% today. There is also need for high technical skills.

9. Democracy: Politically there is an increase of democratic government. Democratic government makes people literate and conscious of their rights. People become more responsible towards government and government making procedures.

The theory of industrialization insists that the whatever changes that have been brought about by this process and that which is
based on western experience should also take place in developing societies as well. There is thorough overhauling on the basis of non-western experience.

5.8 MEANING OF INDUSTRIALISM

Moore, Hoselitz and Nash are concerned with the industrialization process. But industrialism is the end; industrialism is the product of industrialization process. The specific question we set out to answer is what does an 'industrial society', as distinct from an industrializing one look like? Industrialization is process, industrialism the ideal typical end product that incorporates all the attributes of a fully evolved industrial society.

The major theorists of industrialism — the ultimate destination of industrial society are Clark Kerr, John Dunlop - Frederick Harbison and Charles Myers whose influential book, Industrialism and Industrial man has dominated the view. For him, industrialism is a set of ideas and values correlative of industrial society. The society is set with certain dominant ideal conceptions, philosophy, a particular pattern of consumption, values and a definite mode of behaviour. In 1960s, when the western societies were enjoying the fruits of successful industrialization and becoming prosperous, both capitalists and workers were happy, and workers were rising to middle class status. Clark Kerr was also definite of declining incidences of strikes.

1. **Greater differentiation of skill levels**
   Marx anticipated that industrial technology would lead to the redundancy of human skills. The skill would be built into the simple machine-minders endlessly performing repetitive monotonous tasks. But the growth of technology has led to the greater differentiation of skill levels. Skilled manpower, especially at technical, professional and managerial levels, is now a critical prerequisite for industrialization. Countries which do not possess this input have to import skilled men just as they import technology.

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3. **Change in education system**
   As science and technology are given prime importance, and labour and jobs are to be matched on the basis of skills and education,
education system also has to be geared to produce desirable technologists professionals managers and other skilled personnel

4. **Urban growth**
The industry tends to concentrate in cities and metropolises where infrastructural facilities such as transport, communications housing banking and educational institutions are available. The industrial society will be an urban society. Agriculture will have a place in it but only as another industry i.e. agriculture will be totally mechanized or a rationally organized production geared to the pursuit of profit.

5. **Importance of government**
The role of government is very important. The government will have to build and maintain the infrastructure necessary for the growth of science technology and industry. The government will also take the responsibility to provide facilities like transport, communication, educational institutions and law and order. A high degree of government Intervention is required to maintain^ complex functional interdependence of the different sectors of economy.

6. **Large organization**
Large formal organization which produces goods and services is the dominant feature of industrial society. The authority structure of the organization will give some the power to command and others the responsibility to obey. The managers will be relatively few, and the managed a great many. Written formal rules regulate both managers and the managed, regarding output, performance, hiring and firing, discipline promotion etc.

5.9 **PLURALISTIC INDUSTRIALISM**

This means that all industrial societies are not the same. There are differences found in many areas and also some similarities in some other aspects. These differences and similarities of societies can be explained in the following ways.

**Forces that diversify the societies**

1. **The nature of leadership**
Though science and technology are very important influence on society but the leaders or upper class people lead the masses according to their views. Initially the traditional norms predominant i.e. to conserve elite culture. This was done by keeping the masses illiterate. But this was temporary. As the technology spreads and the society proceeds towards progress through technology, every one would accept the importance of mass education and literacy and the upper class or leaders would adopt new technology. Science has to be accepted as a way of life.
2. **Traditional family ties**
Strong emphasis on the family relationships continue for sometime. These inhibit individual mobility on merit. Therefore in traditional societies, the rate of social mobility is very low. Individuals do not move out from their traditional pattern of family organization. Due to this, the economic growth does not take place. Traditional families like to conserve their culture.

But as most of the societies become modernized, the small family units get separated from the native large families and encourage mobility of young qualified children. Meanwhile improvement in transport and communication reduce the significance of distance.

3. **Types of technology**
In traditional societies, technology would be primitive, labour intensive which delays the production process. But this may be necessary as these societies are overpopulated. Whereas Australia and Japan which are short of labour, use capital intensive technologies.

## 5.10 BASIC FEATURES OF INDUSTRIALISM

According to Wilbert Moore certain basic features are very fundamental to all industrial societies.

### 1. **Specialization**
Specialization takes the form of both individual role differentiation and the organization of collectivities around highly particularized functions. A specialized function determines the combination of refined skills needed for its fulfilment (chemists, biologists, engineers, business economists or accountants and probably trained inspectors to ensure standards)

Extreme subdivision of tasks in industrial production has given rise to specialization a productive component of technology. Yet social techniques in this regard are probably more important like criteria of selection, communication and administrative, coordination of a rather high order. The circumstances are mostly similar in other contexts; for coordination of some form is always the counterpart of specialization in a system that is successful in its mission. Size also encourages specialization and size again involves important elements of communication. Specialization may also encourage growth of organized units by making possible rather elaborate relations through time and space.

**Role differentiation**: This is seen in the bureaucracy in the form of skill distribution, a system of authority a communication network, a system of reward distribution and a labour market.
One crude index of specialization, the number of distinguishable occupations continues to grow in all industrial societies. New products and new processes do not uniformly displace old ones and new services link specialists in new ways.

Although some specialities may finally disappear and some differentiated tasks may be reassembled as a more complex occupation, the overwhelming trend toward greater differentiation continues.

**Standards of consumption**: With growing prosperity standards of consumption are fast becoming similar in all industrial societies. Though incomes may differ but pattern of consumption or the symbols of status may be same.

1. **Specialized interest groups**: A large number of voluntary associations have come up, serving specialized interests and need of people. These also serve as outlets of individuals' emotions. Many can become the member and do work for the fulfillment of their desires or needs. Such members also get recognition as whole members and are rewarded accordingly.

2. **Organisation of change**
Change especially desirable has to be planned. In many countries economic growth is planned and it is generally centralized i.e. by central government.

Social planning varies not only in the extent of significant changes for which prediction and control may be sought but also in the matter of time. Many changes are institutionalized in the form of laws for ex. ‘inheritance of wealth’ in family lineages, or protection of environment. It has been discovered that increasing use of chemical pesticides has led to harmful effects or continuous mining has led to environmental or natural depletion. Thus long term consequences have to be studied and assessed. A signal of warning has to be given.

3. **Nature and distribution of power in industrial society**
In Industrial society, though the power must be shared mutually, i.e. by both governed and governor to have a common policy but at the same time organization should also have some power for themselves to carry out their coordinating functions.

4. Trade unionism is believed to perform a number of important functions in an industrial society, providing .stability in industrial relations and making industrial workers a viable unit in society with a potentiality to strive for their rights in work and incomes and make a coherent attempt to achieve improvement in the different aspects of their social life.
5.11 POST INDUSTRIALISM

After 1960s, the dark side of industrialism and rapid damage to environment society and people attracted die attention of many thinkers. It was realized that industrialization was no longer seen a cure to the ills that afflict human society. It has no solution to offer to alienation, the most fundamental problems faced by industrial man. The theory of industrialism assumed that the worker would accept the machine pacing, divided work and the authority structure of the plant. Man had to seek satisfaction not in work but outside it. Industrialism was no longer a model of the good society. Sociologists began constructing a new vision of the good society to replace the old. This new vision had several names — post scarcity society knowledge society, information society, post economic society or post industrial society. The post industrial thesis is strongly associated with the name of Daniel Bell, who incidentally had earlier offered some theories on industrial societies as well.

Many observers have suggested that what is occurring today is a transition to a new type of society no longer based primarily on industrialism. We are entering, they claim a phase of development beyond the industrial era altogether. ‘Knowledge economy’ is the most appropriate term to signify the characteristic of modern society.

A precise definition of the knowledge economy is difficult to formulate but in general terms, it refers to an economy in which ideas, information and forms of knowledge underpin innovation and economic growth. A knowledge economy is one in which much of the labour force is involved not in the physical production or distribution of material goods but in their design, development technology, marketing sale and servicing. These employees can be termed as knowledge workers. The knowledge information society or economy is dominated by the constant flow of information and opinion and by the powerful potentials of science and technology.

With the change in the basic resource, there is a change in technology. Intellectual technology — problem solving systems using electronic gadgetry which allow for national macro planning, forecasting and monitoring "with respect to every aspect of society — becomes more important than machine technology. With the change in technology comes a change in the nature of the product. The post industrial society is primarily service producing and not goods — producing. When there is change in basic principle and structure, basic resource technology and product, occupational structure of society also changes.
5.12 CHARACTERISTICS OF POST INDUSTRIAL SOCIETY

1. The basic principle of the post industrial society is theoretical knowledge. As Charles Leadbeater has observed — "most of us make our money from air, we produce nothing that can be weighed, touched or easily measured. Our output is not stockpiled in shipyards or warehouses. Most of us earn by providing service, judgement of information and analysis, in different places. We are all in thin air business".

Knowledge Economy

How widespread is the knowledge economy at the start of 21st century? The extent of the knowledge economy among developed nations by measuring the percent of each country's overall business output that can be attributed to knowledge based industries. Such industries broadly include high technology, education and training research and development and the financial and investment sector. Knowledge based industries accounted for more than 2.

2. It has been understood by surveys that there is rapid transition from a manufacturing to a service economy. Majority of workers for example in 1950 in USA were involved in services including trade, finance, transport, health recreation education and government. While in 1970s, employment in the services had shot up to around 60%. Britain and other industrial societies also followed suit.

3. The financial allocation towards higher education and research has been steadily on the increase in the most industrialized nations. All these show that theoretical knowledge has become the central organizing principle of such societies.

4. Bell contends that individuals now can talk to other individuals rather than interact with a machine. Bell visualized that the new worker i.e. knowledge worker works in pleasant surroundings and perform an interesting and varied job. He is engaged in the provision of a service and not in the production of a good. He interacts with live people. He provides personalized service. There is no monotony or fatigue in such jobs. The workers gets self satisfaction as he is fully involved in complete job. Finally, the new work place is a small pleasant office room and not the noisy and impersonal shop floor.

Thus post industrialism is different from industrialism. But it is argued that although the scientist or engineer perform experiments collect data and produce services they do their job according to someone else's specification. Thus they are mere providers of informations. Production of scientific knowledge has itself become an industry.
5. Information technology has been developed very fast recently. With this, the contact between people has been facilitated at the global level. Individuals are now more aware of their interconnectedness with others and more likely to identify global issues and processes that were the case in times past.

6. Blauner argued that information technology will revolutionize the world of work by allowing new more flexible ways of working to emerge. These can give the worker greater control over and input into the work process.

7. The spread of information technology will certainly produce exciting and heightened opportunities for some segments of the labour force. In the field of media advertising and design, for example, IT both enhances creativity in the professional realm and introduces flexibility in work styles. It is qualified valued employees in responsible positions for whom the vision of ‘wired workers’ and tele-commuting comes closest to being realized.

8. Today in '90s, the society is called 'information' society where the emphasis is providing information through processing data. There are large number of people involved in processing work, they work with computers and act as programmers, analysers and produce drawings or records. Manual jobs are reduced to minimum. With the advancement of science and the subsequent development of technology, human needs and the quality of life is assuming a significant dimension. Education and knowledge now require new skills.

Information is first an assortment of facts, descriptions and opinions. When this is properly formulated organised and pieced together it is called useful knowledge. To harness this knowledge into effective application, we need to design and develop special gadgets, devise a discipline of methodology — everything easy to understand, operate and not difficult to maintain.

This is called information revolution. Today computer is a wonderful invention to process information and knowledge under strict command and control while satellites, newspapers, telephone, telex, telefax, radio, television are the media to carry the knowledge further. The design and development of new gadgets to process the information, the methodology to sift and sieve the information into practical "knowledge as well as the command and control mechanism of such gadgets and methodology is popularly known as information technology.

Never before, however, there has been such a rapid and revolutionary change as is being witnessed in Information Technology. Information in itself is a product having a good and
responsive market and is oriented towards delivering both goods and services.

Where the emphasis is providing information through computers, a large number of computer programmes or operators deal with informations. Education and knowledge require new skills. There is so much information available on a wide variety of subjects and issues that it is now a distinct craze to transform it into useful knowledge and then harness the knowledge for human needs, desires, fancies and imagination in a whole range of daily routine in entertainment, in sports and games, social education and economic endeavours.

9. The last decade has seen the most formidable technological advances in information and communication technology ranging from fibre optics to micro electronics. Computers and of course the internet — the fastest growing consumer service the world has experienced so far.

10. Global information super highways have been developed and because of them decisions are now being made quicker than ever before. As we enter the new millennium. The prospect of a global village supported by a wide information infrastructure will provide new chances but also risks.

11. Since its origins, information technology has continuously extended into new areas, making its way from mathematical computation and data processing via office automation to electronic commerce. During its expansion and transformation existing technologies like tele communication and manufacturing have been reshaped, and new ones like mechatronics and virtual reality were created. In today's society, information has become one of the essential goods and information technology is rapidly becoming an integral part of modern society and everyday life.

12. As computers are involved in an increasing amount of application domains, the necessity for sophisticated human/computer interfaces arises (demand driven). Easy to use interaction is required to bring down education time and raise acceptance within the group of possible users.

13. Broadband networking enables applications to be performed independent from the location. Teleworking, teleeducation, telemedicine and teleshopping are some examples. More powerful processors, advances in software and virtual reality improve business processes as well as everyday life.

14. Future information technology not only will affect big business domains but also will influence the everyday life at home. Mainly advances in communication technology will characterize modern
homes of the future, whereas now-a-days conventional television and telephony are the main parts of the communication equipment, the increasing use of computers and networks will form the household in future.

15. Advances in technology contribute to the demand for new media and the combined use of media (multimedia) in every home. Additionally, interactivity will play a major role in using information resources like T.V. The viewer will be not be passive but be an active control and lean back person.

Networking will not end at the front door at home but will also connect every electronic equipment in house (Home Bus). The computerization and networking of the complete home is called intelligent home. Additionally the miniaturization of electronic devices will impact the integration of different functions within one device.

16. E — commerce : E — commerce describes all forms of electronic cooperations based on electronic connections. This includes not only electronic markets but also enterprise networks and enterprise cooperations. Intelligent information system which make the data transfer between companies possible facilitate the administration and enable the reduction to acquisition.

17. Mechanical Engineering — Not only in the field of software products, but also in the context of mechanical engineering, customer orientation and short development terms are decisive for the market success of products. These demands have significant effects on the processes of design, construction and production as well as on the means and resources used here.

18. Product design — To simplify complex construction and development process several C — A techniques like computer Aided Design are used, strongly influenced by the developments of information technology. To develop, adjust and configure these resources, IT plays a major and dominating role.

19. Production — PPC (Production planning and control) are used to control and monitor production flow, while flexible production cells form the basic units in highly automated production plants. These advances in information technology can also produce unemployment in many established businesses like banks, insurance companies or retail shops which are forced to adapt to this changing environment. The increased requirement for efficiency and flexibility are likely to eliminate a large number of less qualified jobs in service positions.

20. Why do we call it a information technology revolution? Information is a central, constitutive feature of human life. It is
inherent to our interpersonal relationships, our economic production our culture and society. Information technologies allow human beings to do more things with information than they could otherwise — to store it, transmit it, reproduce it and transform it. The IT is generally reserved for artifacts that are explicitly designed to allow information of one sort or another to be operated on in one way or another.

Data are being stored and/or transmitted in the form of specialised signs embodies in materials. The artifact is a tool for people to produce the sign and to make it useful. These people translate their speech or thoughts into the new forms in which they are embodied. Sometimes extensive and specialised skills are required for this purpose: as is well known, mass literacy is a fairly recent phenomenon, even in the industrial world.

Computers are mostly used in banking sectors. The rise of economic system has developed computer system. The driving force of the industrial revolution came from two key technological development — the steam engine and printing press. The widespread availability of computers and information networks has resulted in

a) Accelerated, leaner more standardised of business practices.
b) Complex international business alliances.
c) Borderless capital flows.
d) Increasing international trade in business.

1. This has resulted in reduction of costs of production, higher productivity and consistent quality of goods. This has allowed various sections of society to access goods which were not previously accessible to them.
2. Indian companies now form strong strategic relationships with company across the globe.
3. Countries like India now attract foreign investments from companies all over the world.
4. One of the most spectacular aspects of this revolution in business practices is that services previously assumed as untradable are becoming tradable.

Presently there are thousands of telephone operators in India for USA companies offering call centre services. Swiss Air has its revenue accounting completed in Mumbai with a crew of 100 replacing the 200 people previously employed for this purpose, at far greater cost near Zurich.

This new phenomenon of international long distance provision also applies to more sophisticated services. India has captured a half billion dollar slice of the world software programming, market with
the motorola programming team in Bangalore recently being named one of the best in the world.

The 21st century workplace in all sectors and disciplines such as engineering, scientific research and development, business, commerce and industry, enterprise and entrepreneurship, manufacturing and distribution, banking and finance, law and judiciary, agriculture and environment, media entertainment, services and facilitation, medicine and health care, planning and management administration, education and training, art and culture shall require increasing levels of IT enablement for its survival and growth.

India's IT industry is planning to cross an ambitious turnover target of US $100 billions (Rs. 5 lakh crore) every year after 2005. India therefore needs more than 10 lakh software professionals by the year 2008.

5.13 SUMMARY

Industrialization is a mass, world wide phenomenon. It is based on the steady development and use of scientific knowledge. The industrial revolution has led to differentiation and specialization of labour, large scale mass production, expanded market, use of machines, calculated profits and huge investment of money. The preconditions are: (a) an available labour force, (b) markets for finished products, (c) access to raw materials, (d) and finally access to technology. Industrial growth took place all over Europe, America, Japan, Asia and even In Africa.

The consequences are rapid urbanization, population growth, international trade, migration of labour. Values like rationality, materialism, this wordly approach have replaced earlier non-materialistic philosophy. Achievement orientation has become more important.

Post industrialism has offered another revolution, i.e. computer technology or what we call

5.14 Check you Progress

1. Explain development of industry in India.
2. What are the conditions for development of industry.
3. Highlight consequences of industrialisation.
4. State different characteristics of industrialism.
5. What do you mean by Post-Industrial society.
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5.16 QUESTIONS

1. What is Industrialization? Discuss its conditions and consequences.
2. What is industrialism? Discuss the basic features of industrial societies.
3. What is information revolution? Discuss the significance of post modern society.

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6 & 7

PERSPECTIVE ON MOTIVATION
AND MANAGEMENT

6.0 Content:
6.1 Objectives
6.2 Introduction
6.3 Motivation: - Meaning, definition and process of motivation
6.4 Theories of Motivation
   a) Theory X & Y
   b) Herzberg’s Hygiene Theory
   c) Mc. Clelland’s Theory of Achievement Motivation
   d) Vroom’s Theory of Human Motivation.
   e) Maslow’s Hierarchy of Needs.
6.5 Check your progress
7.1 Productivity
7.2 Theories Of Management
7.3 Modern Management Theories
7.4 Summary
7.5 Check Your Progress
7.6 References
7.7 Questions

6.1 OBJECTIVES

1) To being awareness among students regarding productive use of manpower in industry.
2) To acquaint students with various theories to improve the productivity of organization.

6.2 INTRODUCTION

Personnel Management is concerned with the most productive utilization of manpower resources. It is also described as “Manpower Management”. This is basically concerned with the principle of having the right type of people as and when required. It also takes into account the improvements in the efficiency and productivity of the existing people. Manpower management begins with manpower planning. Management is the other name of the development of people. Personnel administration and management is one and the same and can be used synonymously.
6.3 MOTIVATION

A manager must stimulate people to act to achieve the desired goals; he must fuse the varied individual human capacities and powers of the many people employed into a smoothly working team with high productivity. How do we get people to perform at a higher than normal percent of their physical and mental capacities and also maintain satisfaction?

A manager gets results through other people. His effectiveness depends, to a large extent, on the willingness of his employees to do the assigned jobs with interest and 'enthusiasm. Motivation is the work a manager performs to inspire and encourage people to take required action. According to Scott, 'motivation is a process of stimulating people to action to accomplish desired 'goals'. Motivation has three distinct features:

a) It results from a felt need. Motivation triggers behaviour impelling a person to action.
b) It is goal directed. Motivation is a driving state that channels behaviour into a specific course that is fulfillment of a felt need,
c) It sustains behaviour in progress. It persists until the satisfaction or reduction of a need state occurs.

According to Allen, "poorly motivated people can nullify the soundest organisation." The following points bring out the importance of motivation in modern organisation.

a) Productive use of resources : Modern organisations work through physical, financial and human resources. The utilisation of physical and financial resources depends on the willingness of people to work. Motivation enables people to convert physical and financial resources into useful products. It helps management to get the best out of human as well as non-human resources.

b) Increased efficiency and output : Motivation enables people to work enthusiastically. As we all know, performance is a product of not merely ability to do a task but the willingness to do the same with zeal and enthusiasm. Motivation bridges the gap between the ability to work whole heartedly to increase the overall efficiency and output. This, ultimately, helps in reducing the cost of operations.

c) Achievement of goals : Motivation causes goal-directed behaviour. It helps people to move in a desired direction and earn rewards. Through appropriate incentive systems, accomplishment of goals is very easy. If people are not properly motivated, no useful purpose can be served by planning, organising and staffing
d) Development of friendly relationships: Motivation brings employees closer to the organisation. The needs of employees are met through attractive rewards, promotional opportunities, etc. Employees begin to take more interest in organisation work. Their morale is high. They begin to think that the enterprise belongs to them and the interests of the enterprise are their interests and there is no difference between them. This helps in developing cordial relationships between management and workers.

e) Stability in workforce: Attractive motivational schemes satisfy the needs of employees. As a result commitment to organisational weak increases.

Motivation is derived from the word motive, "A motive is an inner state that energizes, activates or moves and directs or channels behaviour toward goals." Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to move in a goal directed pattern towards restoring a state of equilibrium by satisfying the need". According to the Encyclopaedia of management, motivation refers to the degree of readiness of an organization to pursue some designated goal and implies the determination of the nature and locus of the forces, including the degree of readiness."

Motivation is a process that starts with a physiological or psychological need that activates behaviour or a drive that is aimed at a goal or 'incentive'. Thus the process of motivation lies in the meaning of and relationship among needs, drives and incentives.

The word management can be split up as:

Manage- men- tactfully.

Functions of Management:

- Controlling
- Planning
- Motivating
- Staffing
- Organising

Job Of A Manager

Management is activity which is concerned with co-coordinating, motivation and controlling of the various activities within the organization. Time is required for acquiring material, capital and machinery. The basic object of the management is to increase the production at the least cost so that the profit margin can be increased. It is a part of the managing process to prepare
short and long term plans for the organization. The short range plans measure the achievement while the long term plans are prepared to develop better and new products, services, expansion, to protect the interest of the owners. When the plans are prepared, they are to be supported by all the members of the organization. Planning is deciding in advance what is to be done. It is the determination of a projected course of action to achieve the desired results. It is a kind of future picture where events are outlined. Planning can be defined as a mental process requiring the use of intellectual faculties, imagination, foresight and sound judgment. Planning involves problem solving and decision making.

There are three basic psychological processes which determine human behaviour. They are motivation, perception and learning. Perception refers to the way an individual experiences the universe while learning refers to a permanent change in behaviour through acquisition of knowledge and experience. Along with perception and learning, motivation helps in understanding human behaviour.

Motivation is a management function which sets the machinery in creative motion. It is a universal truth that almost every activity is motivated by the basic manifestation of human behaviour. The word motivation is the noun corresponding to the verb `motivate' which in turn is derived from the noun `motive'. All the employees of all the organizations have certain motives. The owners also have their own motives. The owners also have their own motives for starting the organization and to develop it continuously. The motivation may be termed as a managerial function of helping the employees to realize their motives. It can be achieved mostly through positive inducements.

**Definition of Motivation:-**

Mr. Jones:- Motivation deals with how behaviour gets started, is energized, sustained, directed, stopped and what kind of subjective action is present in the organization while it is going on.

Victor. H. Vroom :- Motivation is the process of initiating and directing behaviour.

William G. Scott :- In a more traditional sense, it means a process of stimulating people to action to accomplish desired goals. Manager performs an action in order to get subordinates to achieve job objectives.

**MOTIVATION PROCESS:-**

Individual motives [basic needs, wants or desire] when translated into personal world, become personal goals. Personal goads when used in the context of organization are expressed in
jobs, positions or duties. Thus managers are concerned with job performance, personal goals and motives. A simple representation of the motivation process would be something as follows :-

\[
\text{Needs} \quad \downarrow \quad \text{give rise to} \quad \downarrow \\
\text{Wants} \quad \downarrow \quad \text{generating} \quad \downarrow \\
\text{Tensions} \quad \downarrow \\
\text{Removed by} \quad \downarrow \\
\text{Motivation} \quad \downarrow \\
\text{Leading to} \quad \downarrow \\
\text{Behaviour} \quad \downarrow \\
\text{Results in} \quad \downarrow \\
\text{Performance}
\]

**IMPORTANCE OF MOTIVATION:-**
1. Motivation deals with motive force of human beings who constitute the most important factor of production.
2. It is essential for the operations of any organizations.
3. No matter how much machinery & equipment an organization has, these three things cannot be put to use until they are released and guided by people who are motivated.
4. Motivation promotes self discipline and raises it to a positive level.
5. The importance of motivation can be stated, in brief, for the purpose of:
   - Need Satisfaction
   - Job Satisfaction
   - Increasing productivity
- Learning process
- Promoting self-discipline
- Generating dynamism.

6.4 THEORIES OF MOTIVATION

There are two ways by which people can be motivated. One is a positive approach or pull mechanism and another is a negative approach or push mechanism.

Positively - financial or non-financial rewards are given as incentive to work more. Negatively, fear is installed in the minds of people that they might lose the benefits, increments or finally the job.

Traditional theories of motivation

Approaches towards understanding motivation differ because many individual theorists have developed own views and theories of motivation. They approach motivation from different starting points, with different ideas in mind and from different backgrounds. Some important theories are described below:

1. Carrot and Stick theory

This is of course, the use of reward and penalties in order to induce desired behaviour and comes from the old story that the best way to make a donkey to move is to put a carrot out in front of him or jab him with a stick from behind.

Despite all the researchers and theories of motivation that have come to the fore in recent years, it should not be forgotten that reward and punishment are still strong motivators. For centuries however they were too often thought of as the only forces that could motivate people.

In all theories of motivation, the inducements brought by some kind of 'carrot' are recognised. Often this is money in the form of pay or bonuses even though it is thought that money is no longer a strong motivator. To be sure, it is not the only motivating force, but it has been and will continue to be an important one. 'Carrot' as an incentive is given in the form of salary, increases and promotion by seniority, automatic 'merit' increases and executive bonuses not based on individual mania performance.

The stick is in the form of fear - fear of loss of job, loss of income, reduction of bonus, demotion or some other penalty, has been and continues to be a strong motivation. Yet it is admittedly not the best kind but this may give rise to defensive behaviour, such as union organization, poor quality, workmanship executive indifference. But
force of penalty is very effective. And most managers never fully comprehend the power of their position, whether they are first level supervisors or chief executives, the power of their position to give or withhold rewards or impose penalties of various kind gives them an ability to control, to a very great extent, the economic or social well being of their subordinates.

It is hardly a wonder that a substantial number of managers here 'yes savers' reporting to them and seldom realize it. Managers should exercise their power to use this 'carrot' and 'stick' theory to properly motivate the employees.

Recent Theories of Motivation
a) Theory X & Theory Y
b) Herzberg’s Hygiene Theory
c) Mc. Clelland’s Theory of Achievement Motivation
d) Vroom’s Theory of Human Motivation.
e) Maslow’s Hierarchy of Needs.

A) Theory X and Theory Y

Douglas McGregor proposed two distinct sets of assumptions about what motivates people - one basically negative labelled Theory X and other basically positive labelled Theory Y.

Theory X : Theory X contends that people have an inherent dislike of work and will avoid it whenever possible. They must be coerced, controlled directed or even threatened with punishment to make them work towards organisational goals. External control seems necessary to deal with such unreliable, irresponsible and immature people.

Theory Y : It is more optimistic in nature. It assumes that people are not, by nature lazy and unreliable. They will direct themselves towards objectives if their achievements are rewarded. If people are given the opportunity they will work best. Managers therefore have to create opportunities, remove obstacles and encourage people to contribute their best. In order to motivate people fully, Mcgregor proposed such ideas as participation in decision-making, responsible and challenging jobs and group relations in the work place.

Assumptions of theory X and Y

<table>
<thead>
<tr>
<th>Theory X assumptions</th>
<th>Theory Y assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees inherently dislike work and will try to avoid it.</td>
<td>Employees can view their work as natural as rest or play.</td>
</tr>
<tr>
<td>Since employees dislike work, they must be coerced controlled.</td>
<td>People will exercise self direction and self control if they are</td>
</tr>
</tbody>
</table>
and threatened with punishment to achieve goals. - committed to the objectives.

Employees will shirk responsibilities and seek formal direction whenever possible. Under proper conditions, employees do not avoid responsibility.

Most employees want security above all in their work and display little ambition. People want security but also have other needs such as self actualisation and esteem.

B) Herzberg’s two factor theory

It is also called the Dual Factor theory or the Motivation - Hygiene Theory of motivation.

It was studied that when people feel happy, they mention the factors which are related to their job such as achievement promotion etc. but when they are unhappy they talk about those factors which are not directly related to job but external to it e.g. relationship with supervisors or superior, security salary etc.

Hygiene Factors (maintenance factors) - Hygiene factors represent the need to avoid pain in the environment. They are not intrinsic parts of a job, but they are related to the conditions under which a job is performed. They are associated with negative feelings. They are environment related factors hygienes. They must be viewed as preventive measures that remove source of dissatisfaction e.g. cleanliness or removal of dirt. Like physical hygiene they do not lead to growth but only prevent determination. Hygiene factors produce no growth in worker output, but they prevent loss in performance caused by work restriction.

Motivators are associated with positive feelings of employees about the job. They are directly related to the content of the job. They make people satisfied with their job. If managers wish to increase motivation and performance above the average level they must enrich the work and increase a person’s freedom on the job. People must feel proud of doing the job. Motivators are necessary to keep job satisfaction and job performance high. These are the degree of responsibility, recognition achievement, advancement. On the other hand if they are not present they do not prove highly satisfying.

Variables affecting motivation in organisational setting

(— ve feelings) Hygienes (Working environment) (+. ve feelings) Motivators

1. Company policy and administration 1. Achievement
2. Relationship with supervisor 2. Recognition
3. Work conditions 3. Work itself
Earlier people were satisfied when they used to get good pay promotional chances and good relations with Boss etc. These were considered as motivators.

Herzberg discovered that the factors which cause dissatisfaction are different from those that result in satisfaction. Satisfaction is affected by motivators and dissatisfaction by hygiene factors.

When Maslow and Herzberg models were compared it was found that the hygiene factors are roughly equivalent to Maslow's lower order needs and the motivational factors are somewhat equivalent to higher order needs. Both models assume that specific needs energize behaviour. Maslow formulated the theory in terms of needs and Herzberg in terms of goals or rewards. However, Herzberg refined need hierarchy and cast a new light on the content of work motivation. Herzberg recommended the use of hygiene factors to help people attain their lower level needs. Motivators are recommended to meet upper level needs. Whereas 'Maslow's' theory implies a hierarchical arrangement with greater force from unfulfilled needs and movement through an hierarchy in an ordered fashion. According to Maslow an unsatisfied need, whether of lower order or higher order will motivate individuals.

| Comparison of Maslow's Need Hierarchy and Herzberg's motivation-maintenance theory. |
| Maslow                           | Herzberg                    |
| Self realisation needs           | Motivation factors          |
|                                  | 1. Achievement              |
|                                  | 2. Work itself              |
| Esteem needs                     | 3. Responsibility           |
|                                  | 4. Advancement               |
|                                    | Maintenance factors         |
|                                    | • Interpersonal needs       |
| Social needs                     | • Company policy & administration |
| Safety needs                     | • Salary                    |
| Physiological needs              | • Working conditions        |
|                                  | Supervision                 |
|                                  | • Job security              |

Herzberg's theory was criticised on the basis that when different method was used, the result was different. Further for some employees maintenance factors were considered as motivators. In one study, it was found that hygiene factors were as useful in motivating employees as were his motivators.
C) McClelland's Achievement motivation Theory

David McClelland has emphasized that unless the people have strong desire for achievement no progress is possible. He also stressed two other needs - need for power and need for affiliation. This theory is also called Three need theory.

a) Power need (n pow) : This is the need to dominate, influence and control people. People with a high need for power look for positions of leadership. They like to set goals, make decisions and direct activities.

b) Affiliation need (n Aff) : The need for affiliation is a social need, for companionship and support, for developing meaningful relationship with people. They are motivated by jobs that demand frequent interaction with workers. Such people cannot succeed if work in isolation.

c) Achievement need (n Ach) : This is the need for challenge, for personal accomplishment and success in competitive situations. A person with a high need for achievement has three distinct characteristics:

i) Personal responsibility : He wants to take personal responsibility for his success or failure. He does most of the tasks himself.

ii) Feedback: He wants to know how well he is doing.

iii) Moderate risks : He likes to take risks and achieves his goals.

They are willing to work hard and want jobs that stretch their abilities fully.

People with a high need for achievement may be placed on challenging difficult jobs. People with a high need for power may be trained for leadership positions. According to McClelland, in addition to pumping achievement characteristics into jobs, people should be taught and offered training in achievement motivation. McClelland's theory of needs Achievement, power and affiliation are three important needs that help explain motivation.

McClelland's theory of needs
Achievement, power and affiliation are three important needs that help explain motivation.

Achievement need - The drive to excel, to achieve in relation to a set of standards, to strive to succeed.

Power need - The desire to make others behave in a way that they would not otherwise have behaved.

Affiliation need - The desire for friendly and close interpersonal
relationships.

D) Vroom's theory

Currently one of the most widely accepted explanations of motivation is Victor Vroom's *expectancy theory*. Although it has its critics, most of the research evidence is supportive of the theory.

In more practical terms expectancy theory says that an employee will be motivated to exert a high level of effort when he or she believes that effort will lead to a good performance appraisal; that a good appraisal will lead to organizational rewards like a bonus, a salary increase, or a promotion; and that the rewards will satisfy the employee's personal goals. The theory therefore focusses on three relationships:

1. Effort - performance relationship - The probability perceived by the individual that exerting a given amount of effort will lead to performance.
2. Performance - reward relationship - The degree to which the individual believes that performing at a particular level will lead to the attainment of a desired outcome.
3. Rewards - personal goal relationship - The degree to which organizational rewards satisfy an individual's personal goals or needs and the attractiveness of these potential rewards for the individual.

Expectancy theory helps explain why a lot of workers are not motivated on their jobs and merely do the minimum necessary to get by. This is evident if we discuss these three relationships in little detail.

Individual effort 1 – Individual performance 2 - Organizational rewards 3 – Personal goals

1. Effort performance relationship
2. Performance – reward relationship
3. Rewards – personal goals relationship

First the individual may ask himself –

a) If I give a maximum effort, will it be recognized in my performance appraisal. For a lot of employees, the answer is ‘no’ why? Their skill level may be deficient, which means that no matter how hard they try, they are not likely to be a high performer. Many a times the reward is based on loyalty, initiative or courage which means more effort won’t necessarily result in a higher evaluations. Thus one possible source of low employee motivation is the belief, by the employee, that no matter how hard she works, the likelihood of getting a good performance appraisal is low.
Second if I get a good performance appraisal, will it lead to organizational rewards? Many employees see the performance – reward relationship in their job weak. The reason is that organization rewards a lot of things besides just a performance. For example, when pay is allocated to employees based on factors such as seniority being cooperative or for ‘buttering’ the boss employees are likely to see the performance – reward relationship as being weak and demotivating.

Finally, if I am rewarded, are the rewards ones that I find personally attractive? The employee works hard in the hope of getting a promotion but gets a pay raise instead. Or the employee wants a more interesting and challenging job but receives only a few words of praise. Or the employee may be transferred to somewhere else. These examples illustrate the importance of the rewards being tailored to individual employee needs. Unfortunately, many managers are limited in the rewards they can distribute, which makes it difficult to individualize rewards. Moreover some managers incorrectly assume that all employees want the same thing, thus overlooking the motivational effects of differentiating rewards. In either case employee motivation is submaximized.

In summary the key to expectancy theory is the understanding of an individual's goal and the linkage between effort and performance, between performance and rewards, and finally between the rewards and individual goal satisfaction.

**How to motivate employees?**

There are various steps to motivate people in industry.

1. **Recognize individual differences**
   Employees are not homogeneous. They have different needs. They also differ in terms of attitudes, personalities and other matters. So these differences are to be recognised and handled properly.

2. **Match people to jobs**
   People with high growth needs perform better on challenging jobs. When people find the opportunities to set goals independently, they do their best. Some people also like variety and responsibility in their job. Thus the right job should be given to the right person.

3. **Use goals**
   Set specific goals and give them to the individuals so that they know what they are doing. If people do not like goals then set the goals with their participation.

4. **Individualistic rewards**
   Rewards such as pay, promotion, autonomy, challenging jobs,
participative management must be used for different types of persons according to their mental make ups to motivate them.

5. Link rewards to performance
Make rewards link with performances. Then only rewards would be fruitful. Employees should be rewarded immediately after attaining the goals. At the same time rewards should be publicised so that people will be aware of them and to achieve them, they will work.

6. Check the system for equity
The inputs for each job in the form of experience, abilities effort Special skills must be weighed carefully before giving the employees the compensation packages. There should be proper match between the two. Those who have done well, must be given more package.

7. Don't ignore money
Money is very important. Money is not only a means of satisfying the economic needs but also a measure of one's power, prestige, independence, happiness and so on. Money can buy and satisfy biological needs such as food, shelter, recreation and also social needs like security, esteem.

Non-monetary Incentives

Apart from money, other incentives like status, recognition, realisation of one's potential can also be given to boost productivity. People working at higher levels do not always work for money. They expect a challenging job, control over environment and work that use their talents fully.

Individuals can be motivated by providing status, recognition, promotion and responsibility while groups can be satisfied with higher status of the job. Further team spirit should be developed. People like to work in well knit groups. There should also be healthy competition between and among the members by providing them a reward schemes.

Individuals can also be given interesting work and more job security if they are to be motivated.

E) Maslow’s Need Hierarchy Theory

According to Maslow, human needs can be arranged into five levels. He suggested that there is a fairly definite order of human needs and until the more basic needs are adequately fulfilled a person will not strive to meet higher order needs, e.g. unless need for food is satisfied, need for safety will not be developed. Maslow's well known hierarchy is comprised of-

Physiological needs safety and security needs, belonging and love
needs; self esteem needs, and self-actualisation needs. 
man seeks growth 

**Higher order needs**

**(that are satisfied internally)**

**Man seeks growth**

**Lower order needs**

**(that are satisfied externally)**

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**a) Physiological needs** : These needs are required to preserve human life; these needs include needs for air, water, food clothing, shelter, rest etc. until such needs are reasonably well satisfied they remain strong, driving forces.

**b) Safety needs** : The sense of security is needed to avoid any tension. Job security is must.

**c) Social or love needs** : These needs are concerned with love, affection belongingness, acceptance and friendship. Man wants to be 'one of the gang' at work.

**d) Esteem needs** : The desire for achievement and the desire for status and recognition are very strong. In organisational terms, people want to be good at their jobs; they want to feel that they are achieving something important.

**e) Self-actualisation needs** : Realising one's potential is very necessary to be ultimately happy. For some individuals producing work of high quality may be a means for self actualisation.

According to Maslow first physiological then social needs are to be satisfied then higher order needs are attempted to be satisfied. The higher order needs are real motivation.

This theory is not practical and also it is difficult to operationalise many concepts. For example, what does dominance of a given need mean? What is the time span for the unfolding of the hierarchy? etc. Further it cannot be said that once a need is satisfied it leads to other needs.

Theories are summarized as follows :

II. Frederick Herzberg’s – Motivation Hygiene Theory.
III. Mc. Clelland
IV. Vrooms Theory of Human Motivation
V. Maslow’s Hierarchy of Need Theory.

I. Theory X & Theory Y -

Douglas McGregor proposed two distinct views of human being, one is basically negative and labeled as theory ‘X’ and the other is positive and labeled as theory ‘Y’.

Theory ‘X’

This theory assumes that:
- Employees inherently dislike work and avoid it.
- As they avoid work, they must be controlled and threatened to achieve goals.
- Employees shirk responsibilities and seek formal direction.
- Most workers place security above all other factors associated with work and display little ambition.

Theory ‘Y’

This theory assumes that:
- Employees can view work as natural as play.
- People exercise self direction of commitment to the objectives.
- Creativity – that is the ability to make innovative decisions.
- An average person not only can learn but can also accept responsibility.

Ms. Gregor himself held that the assumptions underlying the theory ‘Y’ are more valid than those under the theory ‘X’. He proposed the idea of workers participation in decision making and good group relations which maximize workers job motivation.

II. Frederick Herzberg’s – Motivation Hygiene Theory.

Frederick Herzberg’s motivation theory on hygiene on the basis of the replies received by him to his questionnaire put to some two hundred engineers and accountants. He developed his Motivation Hygiene Theory on two factors theory, as it is alternatively called. By analyzing the replies he found that the replies given by the people who were dissatisfied with their work. Job satisfying factors which are also referred to as intrinsic factors, increase achievement, recognition challenging work, responsibility and personal growth other /job factors which are also called extrinsic factor include company policies, Administration, supervision, working conditions, inter personal relation, salary, security and status.

According to Herzberg, the opposite of dissatisfaction is not satisfaction or vice-versa. In other words, the elimination of dissatisfying factors form the job does not make the job a satisfying
one. Removal of dissatisfaction creates a state of no dissatisfaction. It maintains the workers in a midway position without being dissatisfied or satisfied. On the other hand, intrinsic factors being satisfying factors, lead to motivation and superior performance in all cases, because these factors are inherently rewarding and directly linked with the job. That is to say, intrinsic factors or satisfying factors act as motivators, while extrinsic factors or dissatisfying factors become hygiene factors because they are concerned with environmental factors which serve as preventive measures against dissatisfaction.

III. Mc. Clelland

David Mc. Clelland claims that organization offers an opportunity to satisfy at least three needs:
- Power : The need to make others behave in a way they would not have behaved otherwise.
- Affiliation : The desire for friendly and close interpersonal relationship.
- Achievement : The drive to excel, to achieve, to strive, to succeed in relation to a set of standards.

People with a high degree of desire to achieve something outstanding in life, do perform better, particularly in starting a new business or undertaking a new venture. Mc Clelland saw the need for achievement to be the most important one for the nation’s economic success and development contains four important points viz.

1. Strive to attain frequent feedback.
2. Set realistic goals.
3. Control day- dreaming by thinking of talking to himself in positive terms
4. Seek models of achievement i.e watch those who have performed well.

Mc. Celland carried out studies of the achievement motive of the outstanding people and gave the following characteristics describing high achievement:

i. They liked to take personal responsibility for finding solution to problems.
ii. They liked to take calculated risk and set moderate goals.
iii. They wanted concrete feedback on their performance.
iv. High achievers were not motivated by money alone.

The need for achievement motivation contributes to economic entrepreneurial success. Achievement motivated people are the backbones of the most of the successful organizations. Organizational climate must be helpful for the high achievements.
Managers must raise the achievements needs level of subordinates to create proper environments, allow the subordinates a measure of independence, increase the responsibility, autonomy and make the task challenging.

Some people have a compelling drive to succeed for the sake of success alone. Mc Clelland calls this drive for achievement which he has abbreviated as [n Ach.] The characteristics on n Ach are closely aligned with qualities necessary for the successful entrepreneurship.

The need for affiliation [n Aff] of the need for power [n Pow] tend to be closely related to the managerial success. The n Ach attributes are positively related to higher work performance and can be taught to the workers. Managers can encourage or induce employees to undergo n Ach training in order to stimulate this need. The understanding of the concepts behind n Ach and the characteristics of individuals with high in n Ach in their job, can assist managers in designing jobs with maximum motivational properties.

If organizations were widely practicing their theories of Maslow, Mc Gregor, Herzberg, and Mc Clelland then the organizations will definitely see a change in their functioning.

IV. Vroom’s : Theory of Human Motivation :-

In, 1964, Vroom proposed a theory of human motivation. Although the theory is quite general in form it takes individual as its context in the world of work. Expectancy may be described as the belief that performance of a certain act on the part of an individual will be followed by certain specific desired outcome. Valence is another important concept in Vrooms theory. It is the relative strength or importance a factor had for the employee. Every employee has certain expectations from the management. But all of them are not of equal strength.

Motivational Force = Valence X Expectancy

Proper motivation of employees develops confidence in their mind and helps them to get their desired outcome through hard work.
The above figure shows that the relationship between efforts and satisfaction, efforts and rewards and satisfaction are two ways, but the one between effort and performance is only a one way relationship. It is the effort or intention alone which can lead to performance. Performance, in turn, may lead to reward or satisfaction or both but they cannot lead directly to performance.

According to Vroom, salary, security, benefits, recognition, responsibilities and work themselves are the outcome with different valences for different people. These factors do not have any generalized fixed valences. They differ from individual to individual.

Early motivation theories offer insight into motivation. No one can explain why some people exert more while others do not. What is needed is integrative theory. This theory states that at any given time, an individual's desire to produce depends on his or her particular goals and relative perception of the work or performance as a path to the attainment of these goals.

**Expectancy Model**

```
       Expectancy Model
               ↓    ↓    ↓    ↓
Individual Effort → Individual Performance → Organisational Rewards → Individual Goals
```

Expectancy theory appears to encompass major aspects of all motivational theories. This theory makes certain assumptions about people, the most important of which is that the motivation is a logically thoughtful process.

V. **Maslow's Hierarchy of Need Theory** -

One of the important aspects of the management of an organization is concerned with its motivation for the realization of organizational objectives. It means inspiring people to intensify their desire and make them willing to execute their duties effectively and also to co-operative for fulfilling common objectives. Motivation thus produces ‘will to achieve and will to perform’.

The word motivation is derived from the base word ‘motive’. It is expressed in terms of a person's needs. All human behavior is motivated towards certain course. It can be taken as following certain objectives. It is in a way related to need satisfaction. Maslow remarked that man is a wanting animal. Every human being has a variety of needs. Needs are broadly classified as :-
Primary needs can be taken as physiological needs are taken as social and psychological needs. Maslow attributed two important features to human needs.

1. Human requirements depend upon what they already possess.
2. The second is unsatisfied needs.

The things a person possesses do not motivate management must try to find out those unsatisfied needs which the people in the organization have. Wants can be arranged in the order (hierarchy) of importance. Needs are divided into five groups and Maslow termed them as Need Hierarchy.

In an industrial concern, a manager motivates workers to achieve the desired goal. As soon as the needs with less intensity are satisfied, he needs with more intensity emerge and demand their fulfillment.

A manager of an organization must ensure workers about the security of their service. He must inquire into the needs of his subordinates. He must inquire into providing for the secondary needs combined with social security. Techniques of providing proper promotional opportunities and delegation of authority may help in this process.

6.4 Check your Progress:

1) Discuss motivation and highlight the process of motivation
2) Explain traditional theory of motivation?

7.1 PRODUCTIVITY

Generally it is found that up to a point performance increases with increasing motivation, beyond which increase in motivation leads to decrease in performance and motivation. Thus too little motivation leads to sluggishness and inertia and too much leads to disruption. What the optimum level of motivation should be, depends on the job level and the individual in a given situation and time.

According to Arun Monappa in his "profile of Indian managers", high motivation leads to low performance because

1. A high motivational level narrows the cognitive field. Under high motivation there is a high concentration on the goal to the
relative exclusion of other features of the situation which might be essential to the solution of the problem. This leads to a high degree of frustration when the given response proves inadequate.

2. A high level of motivation is also associated with anxiety. Hence performance may be directed towards reducing anxiety rather than achieving a certain level of efficiency.

In a very interesting study on assembly workers in General Electrics, by S. Sehachter, groups performing identical tasks were selected. One half was subjected to annoyances, arguments etc. while the other half was confronted with situations designed to produce satisfaction. Very little difference was noticed in their productivity. If the relationship between motivation and performance is so uncertain, why is such effort directed in all organizations to motivate employees? Researchers have shown that a high level of motivation may lead to higher morale - a positive feeling and attitude towards company, job, superiors, peers and subordinates and high morale has a positive association with high performance. Thus motivation initiates morale which in turn influences performance.

High motivation and moral lead to high productivity though they may not be always positively correlated. If workers are satisfied, they can make effort to increase productivity.

Generally, it is believed that high morale will lead to high productivity. However, Prof. Keith Davis points out that there is not always a positive correlation between the two. A manager can push for high productivity by using scientific management, time studies and close supervision. But easily a worker or his group can definitely do well with high morale or high motivation. Though there may be high morale low productivity or low morale high productivity but in the final analysis a manager has to work for improving the morale of his employees. High morale makes the work more pleasant and will go a long way in improving the work climate. It helps the work group to attain goals easily, smoothly Sociology of Work and Occupation and more importantly, in a highly cooperative manner. But the question is how to raise employees morale.

It is suggested that people can be highly motivated or maintain high morale by giving them higher remuneration fair and just, job security, participation in decision-making, job enrichment, closer relations with management and with sound leadership.

Productivity has been defined as the ratio of output to input. "It is the balance between all factors of production that will give the greatest output with the smallest effort". It also means ability to produce more without extra addition of employees.
The term 'productivity' is also defined in any dictionary as 'ability to produce'. Mr. E.A. Broom defined it as "The degree of effectiveness of industrial management to utilise the facilities for production". Productivity presupposes managing resources as well as people and the 4 M's of management, viz.

**Money, machinery/material, methods men**: Men i.e. human resources, is the only resource which is available abundantly the world over and which doesn't depreciate if it is constantly trained, motivated and put to use effectively and efficiently. The output of a machine depends directly on the hands and more importantly the brain behind it.

The term 'production' and 'productivity' are often used interchangeably. But there is a difference between the two. Production refers to the total output. Productivity refers to the output relative to the inputs. Stated more clearly, productivity refers to the amount of goods and services produced with the resources used. Productivity is measured with the help of a formula which runs as follows:

\[
\text{Productivity} = \frac{\text{Quantity of Goods and Services Produced}}{\text{Amount of resources used}}
\]

There are thus two variables - amount of production and amount of resources used. Productivity varies with the amount of production relative to the amount of resources used. Productivity can be increased in several ways viz.

1. Increase production using the same or a smaller amount of resources.
2. Reduce the amount of resources while keeping the same production or increasing it.
3. Allow the amount of resources used to increase as long as production increases more.
4. Allow production to decrease as long as the amount of resources used decreases more.

When productivity increases, the company can pay higher remuneration to its employees without boosting inflation. Increased earnings without corresponding increase in inflation adds to the standard of living of people. Improving productivity also means getting more from given inputs. Higher productivity does not mean adding more inputs, but using the resources better. Improving productivity does not mean working harder; it means working smarter, not just doing things right but doing right things. Today's economy demands that we do more with less fewer people, less money, less time, less space and fewer resources in general.
Productivity benefits the whole economy, besides contributing to the success of the organisation. Any economy -is made up of multiple organisation and if all organisations prosper because of increased productivity, economy itself tends to benefit.

**Measuring Productivity**

As stated earlier, productivity refers to the output relative to the inputs. Inputs in any production process comprise capital, labour materials and energy. Productivity of each resource can be measured separately. Such measurement gives partial productivity. Productivity of all resources put together gives productivity on the total factor basis. This method of calculating productivity considering all resources is called multifactor approach to measuring productivity.

Partial productivity = \( \frac{\text{Output in a given period}}{\text{Labour hours used in that period}} \)

Total productivity = \( \frac{\text{Output in a given period}}{\text{Labour + capital + materials + energy used in the same period}} \)

In practice partial productivity is mainly calculated. Among all the inputs, it is the direct labour, which is mainly used as the denominator for calculating partial productivity. This is so, because labour continues to occupy a place of pride in manufacturing systems, not withstanding automation. Certain activities cannot be automated e.g. material handling. Moreover most services are labour intensive. For these reasons, improving productivity of labour continues to receive management attention.

**Labour Productivity**

There are at least 3 ways of measuring labour productivity:

1. Output per man hour
   \[
   \text{Labour productivity} = \frac{\text{Output}}{\text{Man hours used}}
   \]

2. Labour hours per unit of output
   \[
   \text{Labour productivity} = \frac{\text{Total labour hours used}}{\text{Output}}
   \]
3. Added value per unit of labour cost

Labour productivity = \frac{\text{Added value for the product}}{\text{Total wages}}

1st formula is most commonly used to measure partial productivity

Productivity in our country is low and this factor explains the reason why our economy continues to lag behind those of the developed one. The table shows our productivity in primary sector is very low.

**Ways of improving productivity**: Companies focus their attention on increasing productivity. The first step in improving productivity ratio is to understand the factors that influence the relationship between output and input.

Several factors influence productivity. Increased capital investments in newer and better equipment and facilities can increase productivity.

But human element is also an important factor. A company may own the best of machines, but if the people do not work with dedication, productivity cannot increase. Employees’ job performances depends on their ability and motivation. Ability depends on the quality of people hired. Motivation is the effort of leadership.

Views on management have changed substantially over the past century particularly in the past few decades. At the turn of the century, the most notable organizations were large and industrialized often they include on going, routine task that manufactured a variety of products. The United States highly prized scientific and technical matters, including careful measurement and specification of activities and results. Management tended to be the same. In these theories tasks were standardized as much as possible. Workers were rewarded and punished. This approach appeared to work well for organizations with assembly lines and other mechanistic, routinized activities.

## 7.2 THEORIES OF MANAGEMENT

**Scientific Management Theory**:-

Frederick W. Taylor [1856*1917]

The theory of Scientific Management is the “brainchild” of Frederick Winslow Taylor. In its simplest form the theory is the belief that there is ‘one best way’ to do a job and scientific methods can be used to determine that one best way. Taylor was an American inventor and engineer, considered to be the father of ‘Scientific Management’. His influential theory enabled the industry
to move away from ‘rule of thumb’ management and be more efficient and prosperous.

According to Taylor, there is ‘one best way of performing any work task. It is the job of management to discover this way by applying scientific principles to the design of work procedures. For instance, various tools should be tested to find the most efficient for the job, rest periods of differing length and frequency should be tried to discover between the rest and productivity, the various movements involved in the task should be assessed to find those that are least time consuming and produce minimum fatigue. Experimenting with different task designs will result in the discovery of the most efficient way of doing a particular job. With this approach, Taylor laid the foundation for what has come to be known as time and motion studies.

According to Taylor the following principles must be followed:

1. Selection of the worker

Workers with low intelligence are best suited to simple repetitive tasks. Suitable workers must be selected in order to increase productivity. After selection they must be trained to perform tasks according to instructions.

2. Increasing monetary incentives

According to Taylor, workers will work more if they are given increased wages. For him the primary motive of every worker is money. Workers must be paid more according to the production of goods. If they are producing more, special incentives should be given. In practice, this usually involved a wage incentive scheme based on piece work - payment according to “the work done.”

3. Time and motion studies

Workers’ movements must be observed and one ‘best way be found to work which would reduce fatigue and increase production. With controlled movements, the worker is able to work more within the same time period and also he will be tired less.

4. Working conditions

According to Taylor, the working conditions must be improved. Better light, ventilation, regular supply of drinking water, sanitary arrangements cleanliness etc. would definitely increase productivity. Workers will increase their interest in work, they will like to work more.

Taylor believed that the scientific planning of work tasks, the
selection and systematic planning of suitable workers for the performance of those tasks plus a carrot and stick system of financial incentives would maximize productivity.

Taylor saw scientific management as the solution to many of industry’s problems. Firstly, it would increase both the quantity and quality of the product.

Secondly, it promised to end conflict between employers and employees; Since the employer is concerned with higher profits and the worker with higher wages, they share an interest in raising productivity. Increased productivity reduces labour costs and results in higher profits which in turn allow for higher wages.

Taylorism contained the following main features:

1. Human beings are considered as general-purpose machines without any active interest. As Taylor observed, the workers do not work with full zeal. They are also incapable of concentrating themselves, thus attention is always diffused. Further through the studies of motions involved in the task and the time needed to perform them, Taylor realized that workers’ inefficiency and diffuseness can be eliminated. He suggested that most of the operations involving body motions which are wasteful should be avoided. This, he claimed can lead to saving of both time and energy. Workers can match their motions with those of machines and can be more efficient. Within the same time they can work more.

2. According to the scientific theory of management, workers are rational economic beings. Generally they work for money. So if money is given as incentives, they will like to work more. Their performance should be linked with payment, this being called piece meal payment, i.e. payment according to products produced. Workers can increase their interest in their job. This can lead to increased productivity. If the workers work more, they should be paid more.

3. F. W Taylor and his associates further noticed that workers cannot work long if their working conditions are uncomfortable, unhygienic or lack sufficient ventilation and lighting. So if there is sufficient illumination, fresh air, clean hygienic atmosphere the workers always will work more. The working conditions must be pleasant encouraging and comfortable for the workers to work.

There is one more theory to suggest increase in management efficiency. This is called Administrative design theory. This is the part of classical management school.

Henry Fayol and others focussed their attention on the problems of
administration at the management level. According to them, the entire process of management can be divided into a number of processes based on scientific principles. For example (1) Planning, (2) Departmentalization which is based on division of labour and specialization. (3) Coordination of various departments, (4) Delegation and subdelegation of authority, (5) Communication.

According to the industrial psychologists, if the management follows these basic principles and makes decisions on scientific basis, productivity will definitely be increased, the entire administrative process would be more systematic, rational and there would be no conflicts.

Taylorism theory was developed by E. D. Brandies, N. L. Gantt, F. B. Gilbreth and others. While administrative theory was proposed by Henry Fayol, it was later developed by Gullick, Mevick, Mary Parker, Follet Mooney and others.

Though the application of scientific management has resulted in increased productivity Harry Braverman has denounced this theory calling it as a means of exploiting workers more and more. For him this has strengthened the dominance of capital over labour. He claims that the theory has been adopted as a means of controlling alienated labour and is part of the process whereby the worker is increasingly transformed into an "instrument of capital". Workers became like cog in machines dehumanized controlled by management's directives. Thus for Braverman, the theory has resulted in more exploitation of workers by the hands of management in the name of increasing efficiency.

Two assumptions of Taylor were rejected outright. The first that workers are 'economic men' and they work only for money has been considered wrong. Secondly, the workers are viewed as individuals rather than as members of social groups. Taylor failed to see them as human social beings having own desires, ambitions, feelings and different abilities and their wish to make primary relations with fellow workers.

As a result new approach came into being to study the behaviour of individual workers at work place.

Scientific management [which comprises Taylor’s work as well as that of another classical theorist Max Weber: Taylorism or the Taylor System] is also referred to it as ‘Process Management’. It is a theory of management that analyzes and synthesizes workflows with the objective of improving labour productivity. The core ideas of this theory was developed in 1880’s and 1890’s and were first published in his monographs `Shop Management- (1905)’ and `The Principles of Scientific Management’ (1911). He began trying to discover a way for workers to increasw their efficiency
when he was the foreperson at the Midvale Stede Company in 1875. Taylor believed that decisions based upon tradition and rules of thumb should be replaced by precise procedures developed after careful study of an individual at work. Its application is contingent on a high level of managerial control over employee work practices.

Taylorism is a variation on the theme of efficiency, it is a late 19th and early 20th century instance of the larger recurring theme in human life of increasing efficiency, decreasing waste and using empirical methods to decide what matters, rather than uncritically accepting pre-existing ideas of what matters.

In management literature today, the greatest use of the concept of Taylorism is as a contrast to a new, improved way of doing business. In political and sociological terms, Taylorism can be seen as the division of labour pushed to its logical extreme with a consequent de-skilling of the worker and dehumanization of the workplace.

The baseline of Taylors theory was:

- Increasing Specialisation and division of labour will make a process more efficient.
- Systematically analyze the relationship between the worker and task and redesign processes to ensure maximum efficiency. e.g. use a bigger shovel so more grain can be lifted with each action.
- Have written procedures for each task and ensure they are followed by supervision and quality control.
- Get maximum prosperity for employer and employee alike by linking pay and other rewards directly to work output.
- Select workers with the right skills and abilities for the specific task and thoroughly train them to follow the procedures.
- Management and workers are equally responsible for achievement of goals.

Over a 20 years period Taylor devised the “one best way” to do each of the jobs on the shop floor. He then concluded that prosperity and harmony for both workers and managers could be achieved by following the 5 guidelines below:

1. Develop a science for each element of an individuals work which will replace the old rule of thumb method
2. Scientifically select and then train, teach and develop the worker.
3. Heartily cooperate with the workers so as to ensure that all
workers so as to ensure that all work is done in accordance with the principles of the science that has been developed.

4. Divide work and responsibility almost equally between management and workers.

5. Management takes over all the work for which it is better fitted than the workers [rather than most of the work and responsibility being assigned to the workers].

A well known example of the scientific management theory is the pig iron experiment. Iron was loaded on to rail cars by workers each lot weighing 92 pounds and known as a "pig". On an average 12.5 tons were loaded on to the rail cars but Taylor believed that scientific management could be used to increase this to 47/48 tons per day. Through experimenting with various procedures and tools Taylor achieved this. This is how he did it:

i. Taylor ensured that he matched each of the jobs to each of the workers' skill and abilities.

ii. He ensured that he provided the workers with the correct tools.

iii. He ensured that the workers were provided with clear instructions about how to do each job. At the same time he took care to see that the workers understood the instructions and then Taylor ensured that the workers followed the instructions exactly as he explained.

iv. Taylor then created worker motivation by providing a significantly higher daily wage.

It is believed that through the use of scientific management theory Taylor increased productivity on the shop floor by 200%. Taylor's idea and thoughts were adopted throughout the world including in France, Russia and Japan. In today's world scientific management has been merged with other ideas and is used by managers in the form of time and motion studies to eradicate wasted motions, incentive schemes based on performance and hiring the best qualified workers for each job.

Human Relations Theory- Elton Mayo – Human relations theory

This theory is largely seen to have been born as a result of the Hawthorne experiments which Elton Mayo conducted at the Western Electrical Company. However, the so called 'Hawthorne Effect' was not foreseen by the study. Instead, the Western Electrical Company wished to show that a greater level of illumination in a working area improved productivity, hence encouraging employers to spend more money on electricity from the company. As such they carried out a study of how productivity varied with illumination levels. However the results of the study
showed that any changes in light levels tended to increase productivity levels and this level also increased significantly with the control group. This was completely the opposite of what Mayo expected and created an entirely new branch of management theory.

The Hawthorne studies moved the emphasis from the individual Ker to the worker as a member of a social group. They saw his behaviour as a response to group norms rather than simply being directed by economic incentives and management designed work schemes. According to Roethlisberger and Dickson, the group members decided among themselves a norm of daily quota and observed strictly the norm. No worker was allowed to work more or very less than the standard fixed by the group. If any wireman wanted to work more he was insulted or even criticised by other members by being called rate-buster. Thus mild sanctions from the group did not allow the wiremen to work more and stopped early as they completed their quota as decided by the group. Thus they yielded to the pressure of the group which was more stronger than the financial incentives.

From the Hawthorne Studies, and research which they largely stimulated, developed the human relations school. It stated that scientific management theory of financial incentives did not motivate the workers sufficiently. On the contrary, the other needs of workers must be taken in consideration i.e. social needs like friendship, the need to belong, group support, recognition and status and the need for 'self actualization' which involves the development of the individual's talents creativity and personality to the full. These needs must be met, if productivity in real sense has to be increased. Only with 'personal satisfaction' workers' cooperation can be secured. Management must cooperate with the norms of the informal groups so as to achieve and confirm better responses from the workers. In most of the cases these norms set by the group were more than the quota fixed by the management. So if management encourages and supports the formation of such informal groups, it will always be benefitted. If workers are invited to participate in major decision-making process, they will be more interested and committed to work. By ways of involving informal groups more within the organization, organizational goals can certainly be expected to be accomplished.

It has been assured that there would be no conflict of interests between the management and workers. If there is any such situation, it must be due to non satisfaction of the needs of workers. By reorganising social relationships within the organisation, according to human relation principle conflict can be remove and both the groups can remain in peace.
Employees respond to provisions for their social needs and acceptance offered by management.

Individuals are motivated by social needs

People obtain their sense of identity through interpersonal relations

Because of industrial progress and reutilization of work, work has become dissatisfying

Employees are more responsive to the social forces of peer groups than to incentives and controls of management.

But human relations school was also criticized that it did not see the other factors beyond the factory premises which determine workers' behaviour i.e. status of the workers' job, the culture of the group of the workers to which they belong and their own definitions of life or work.

Initially, human relation studies tended to concentrate on employee satisfaction and morale implying thereby direct connection between morale and productivity. Later on behavioural science approach through its objective and scientific research of individual behaviour and motivation indicated that relationship between morale and productivity was oversimplified. Behavioural science movement was a further refinement on human relationship movement and it covered much wider scope in inter-personal roles and relationships. The behavioural science school of management thought started after 1940 and it gave special attention to understanding individuals and their interpersonal relations. A. Maslow developed a need hierarchy to explain human behaviour within an organisation. For him first lower level needs should be satisfied then workers can go for satisfaction of higher level needs. Psychologists brought into lime light many aspects of rational behaviour, the sources of motivation and the nature of leadership. F. Herzberg and V. Vroom proposed motivational models explaining the causes of human behaviour and motivation in business. D. Mc Greger explained certain basic assumptions about the human element and put forward two managerial styles viz. theory X representing classical views of management and organisation and theory Y representing neo-classical or modern views of management and organisation.

The behavioural sciences have provided modern management with a more objective, systematic and scientific understanding of one of the most puzzling and critical factors. In the process of management - the man or the woman behind the machine An organisation based on the human element is ‘essentially a social system and not just techno economic system. This theory thus recognises the importance of human F. Herzberg and V. Vroom proposed motivational models explaining the causes of human behaviour and motivation in business. D. Mc Greger explained certain basic assumptions about the human element and put forward two managerial styles viz. theory X representing classical views of management and organisation and theory Y representing neo-classical or modern views of management and organisation.

The behavioural sciences have provided modern management with
a more objective, systematic and scientific understanding of one of the most puzzling and critical factors. In the process of management - the **man** or the **woman** behind the machine.

The core aspect of Human Relations Theory is that when workers were being observed and included in the research, they felt more important and valued by the company. As a result their productivity levels went up significantly. This represented a significant departure from many of the classical theories particularly Fordism as it went against the notion that management needed to control workers and remove their autonomy at every step. Instead it showed that by engaging with workers and considering their requirements and needs, company's could benefit from increased productivity.

Another important part of human relations theory came from the other one of Mayo’s experiments: the bank wiring experiment. This experiment involved monitoring the production of a group of workers who were working as a group to produce electrical components. This investigation showed that as believed by Taylor & Ford, the group as a whole decided on the level of production, purposely failing to produce their maximum output inspite of the potential bonus which was offered by management. This indicated that factors such as peer pressure and the desire for harmony within the group, overrode any economic considerations which the workers held. This study also first drew management theorist focus to the informal aspect of the organization and encourage good communication with workers and develop a connection with their employees, which runs counter to Taylor & Ford’s claim that managers needed to focus an organizational goals and completely control the workers. Mayo argued that Taylor and Ford’s techniques would boost productivity but only to a certain level. In order to go above this level, workers needed to feel that they were valued more than simply on a monetary basis.

The concept that managers need to become involved with workers at a more individual level is at the core of human relations theory and is what differentiates it from scientific management theory and is what differentiates it from scientific management theory. Indeed the vast majority of management literature since these competing theories emerged has been dominated by two points of view:–

1. The first is that workers will not support management working process itself hence leading to scientific management approached.
2. The second is that productivity is largely determined by social and group norms and by tapping into these norms and fulfilling their worker's needs, managers can encourage employees to motivate themselves to work harder and be more productive.
7.3 MODERN MANAGEMENT THEORIES

Modern management theories indicate further refinement, extension and synthesis of all the classical and neo-classical approaches to management. These trends started after 1950. We have 3 streams under the modern management theory.

1. Quantitative approach to management i.e. operations research.
2. System approach to management.
3. Contingency approach to management.

1. Quantitative Approach to management (Operation Research)

Quantitative approach to management offered systematic analysis and the solutions to many complex problems faced by management in the real world. More commonly used OR techniques are linear programming, game theory, stimulation and probability. New mathematical and statistical tools are now applied in the field of management. Together these quantitative decision-making tools are called operation research or management science. The computer is used to find out solution to complex management problems. Production scheduling, replacement of capital equipment, inventory, central plant location, transport problems, warehousing problems, long range planning and many other complex managerial problems are being solved today with the active help of operation research and computers. With mathematical models i.e. the use of equations many problems are tried to be solved.

2. System approach

Modern theory considers an organisation as an open, adaptive system which has to adjust to changes in environment.

When the system approach is applied to an organisation, we have the following feature of an organisation as an open adaptive system. (1) It is a subsystem of its broader environment. (2) It is a goal oriented people with a purpose, (3) It is a technical subsystem - using knowledge, techniques, equipment and facilities, (4) It is a structural subsystem - people working together on inter-related activities, (5) It is a psychological system - People in social relationships, (6) It is a managerial subsystem creating planning, organising, motivating, communicating and controlling the overall efforts directed towards set goals.

System approach emphasises that all subsystems of an organisation are inter connected and interrelated.
3. Contingency theory
A contingency approach analyses and understands all inter relationships so that managerial actions can be adjusted to demands of specific situations or circumstances. Thus contingency approach enables us to evolve practical answers to the problems demanding solutions.

**Systems approach to management**

- **1. Structure (Organisation theory)**
  - looking down

- **2. Techniques And Information (Decision of information theory)**
  - Looking across

- **Managerial System (Management Process)**
  - Looking ahead

- **3. People (Organisation behaviour theory)**

- **4. Purpose And Objective Goal Theory**

**M.B.O**
Management by objective — MBO which is a major contribution by P. Drucker was introduced in 1954. The concept of MBO includes a method of planning, setting standard, appraisal of performance and motivation. It rests on a concept of human action, human behaviour and human motivation.

**Characteristics of modern management thought**

1. **The System Approach**

An organisation as a system has five basic parts: (1) input, (2) process, (3) output, (4) feedback, (5) environment.

Management allocates and combines the resources (inputs) to certain desirable outputs. The success of these outputs can be judged by means of feedback. If necessary, we have to modify our mix of inputs to produce outputs as per changing demands and changing environment.

2. **Dynamic**

Interaction occurring within the structure of an organisation keeps on changing. While classical theory assumed static equilibrium.

3. **Multilevel and multidimensional**

Systems approach points out wheels within wheels or complex multilevel and multidimensional character. Modern approach adopts both micro and macro approach. We believe that all the subsystems like production, finance marketing and personnel are
interrelated. At all levels organisations interact in many ways.

4. Multimotivated
Profit is not the only motive. Management has to compromise and integrate multiple diverse objectives - economic, social i.e. productivity and satisfactions (shareholders, employees, customers, community and society).

5. Multivariable
It is assumed that there is no simple cause — effect phenomenon. An event may be the result of many factors which themselves are interrelated and interdependent. Some factors are controllable, some uncontrollable. These factors have to be taken in account.

6. Adaptive
The survival and growth of an organisation in a dynamic environment depends on its ability to adjust to continually changing conditions. We have human or machine controller to provide necessary corrections on the basis of information to get the desired result.

Comments
i) The structure looks down the vertical, hierarchical character of organisation. It represents organisation theory.
ii) Techniques and information look across the horizontal feature of organisation. Flow of information and decisions is shown.
iii) People elements look up the organisational hierarchy from individual needs to overall company goals-men related system. It deals with leadership, motivation etc.
iv) Organisational purposes looking 'ahead' towards the adaptation of company goals in response to changes in the environment.
v) Management system is at the intersection of 4 perspectives : (a) Structure, (b) Techniques and information, (c) People and (d) Goals. It integrates all view points — a mechanism to unify the separate theories.

7.4 SUMMARY

It can be deducted that from earliest recorded times groups of people have been organized to work together towards planned goals. Their efforts co-ordinated and controlled to achieve such outcomes. Though the term scientific management did not come into being well into the Industrial Revolution i.e. the latter half of the 19th C, its history is on reflection much longer than the term itself. The best way to motivate a person is to approach it from the angle of creating strong and sustained interest in the goal which will serve to draw the person into a path of personal motivation that will lead to them truly wanting to achieve the required objectives leading to the ultimate betterment of the individual as well as the organization which they work for.
7.5 Check your progress:-

Q-1. Discuss productivity on the process of motivation.

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Q-2. Explain anyone theory of management.

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Q-3. Give a brief history of management theories.

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7.6 REFERENCES:


7.7 QUESTIONS:

Q-1. Explain Maslow’s Hierarchy of Motivation.
Q-2. How is Vrooms theory of motivation different from that of Mc. Clelland.?
Q-3. Discuss Frederick Taylor’s theory of Scientific Management.
Q-4. Throw light on the views of Mayo’s human relations theory.
Q-5. Explain the importance of motivation in an organization.

△△△
WORKER’S IN FORMAL AND INFORMAL SECTOR

8.0 Content:
8.1 Objectives
8.2 Introduction
8.3 Indian worker
8.4 Organisation
8.5 Formal Sector
8.6 Check your Request

9.1 Informal Sector
9.2 Problem and social security of the workers in informal sector
9.3 Social Security of workers in informal sector.
9.4 Difference between formal and informal org.
9.5 Summary
9.6 Check your progress
9.7 Reference
9.8 Questions.

8.1 OBJECTIVE

1) To acquaint students with Indian worker and working conditions of workers.
2) To Study the structure of formal organization and functions of organization.
3) To being awareness about informal sector, problems of worker & then challenges.

8.2 INTRODUCTION

A worker is a person who is engaged in gainful employment. According to law a worker should be any person who contributes to the gross national products by his/her work which includes work for market economy as well as for self- consumption.

8.3 INDIAN WORKER

However, in India, the term is used, in restricted sense, to refer to those workers who are employed in organised industries, that is, in those industrial establishments which are covered by the Factories Act. The workers who are engaged in cottage industries are excluded. Since our factory industries have been growing very
slowly since the middle of the 19th century factory our industrial labour has also been increasing slowly.

In 1900, the number of workers in our factories was only 5 lakhs. Between 1950 and 1993, the estimated average daily employment in working factories has increased from 3 million to 9.1 million. Indian industrial labour is only about 3-0 per cent of the total working population I or about 32 per cent of workers engaged in industries. This is a small I percentage indeed. But on account of its organisation and contribution to national income, industrial labour occupies an important place in the economy of the country. A contended industrial labour will be great asset to India, but a dissatisfied industrial labour acts as a drag on development.

Industrial labour in India exhibited certain well known features which have affected the trade union organisation. In the first instance, most industrial workers have their roots in villages. Quite a large number of them have left their traditional occupations and have migrated to cities in search of permanent or temporary job. Most of them still retain their attachment to land and the periodic migration from the town to the village is a common characteristic of our industrial labour. Only in recent years, a new class of industrial labour without roots in agriculture has been emerged in our towns and cities.

Secondly, industrial labour is largely uneducated. As a result, they do not understand the problems which their industries confront and the problems which they themselves are facing.

Thirdly, industrial labour in India is not united but is divided and subdivided on the basis of region, religion, language and caste. It is only in recent years that some of these differences are disappearing gradually and some degree of unity on the basis of economic consideration is taking place. Finally, workers do not remain in the same job for long. There is high labour turnover. Absenteeism indiscipline etc. are quite common. This may be because the workers are originally from the rural areas where people were comparatively free; or it may be because of their lack of education and love of leisure.

The early industrial workers : Initially when British established factories, many workers from the rural areas started working there. Working conditions were very bad. Receiving very low wages in exchange for long hours of work under the most hygienic conditions, workers live in squalid quarters or slums. The craftsmen became the poor labourers in the factories. The unorganized industries were made up of old Indian industries such as biri and few others, where child labour frequently prevailed and whose workshops or hovels were described as "dark, crowded, ill ventilated and insanitary with damp mud floors on which workers sit
for the whole day."

It is not surprising then the Indian worker never liked the work "Compelled by necessity, pressed by poverty, hunger or debt, they had to leave their ancestral village to merge with the anonymity of the city life". Since they had to migrate without their wives and children they always wanted to rush back to the village as frequently as possible. The worker was "villager at heart".

The modern worker: Today, the nature of industrial production is changed. Many new cadres of management have come up instead of having only the ownership of productive units.

There are many levels of work in modern Indian industry considering the occupational status and social prestige.

1. The highest level which is occupied by directors and executives.

2. The next level is that of departmental managers middle management as well as first and even second class technicians.

3. The third level is made up of junior managers supervisors and junior superintendents, service officials, higher office employees etc.

4. Next to these, the skilled workers follow especially trained in technical schools and undergraduate centres. Though these are logically classified as blue collar workers, they, in fact, may be considered as the blue collar aristocracy.

5. This level is made up of office workers employed in industry or in some of this subsidiary activities such as banks, commerce, insurance etc. They are so called white collar workers, who are now in the process of growth.

6. The last level is filled by manual workers, the authentic blue collar workers to be found everywhere on the basis of modern industry.

Traditional workers in India were working in jute and textile mills, railways, mines and plantations established by the British rulers. Modern workers are working in plastic, pharmaceuticals, electronics etc. These industries, in fact came after independence and are still in the process of development in the wake of scientific and technological advance.

'Work' is also associated with status, not only the level at which the worker is working. When we look at the occupational pyramid we find that many skilled workers belonging to the level 4 receive higher payment than those at level 3. Yet they do not have the
There is also a shift in status and prestige. As industry develops and the social structure reshapes itself in accordance with new values, the level of aspiration of the people increased and the direction of social change to a large extent can be predicted.

**Characteristics of Indian Labour Worker**

Indian worker is not much different from his counterparts in western industries. He has some desire aspiration or feelings, only there may be the difference of degrees. Today many of the workers in the industries are city born, though some of them still come from the villages. In the new industrial townships or colonies the vast majority of workers came from nearby villages or tribal areas. But they are no more too much attached to their native places.

According to some studies conducted on the status of workers, 50% among the women workers from modern industries and 24% among those from traditional industries had broken all the connections with their villages so they never visited them.

Further, it is proved and confirmed by many studies, that modern worker is more committed to industry, he has accepted factory discipline, ready to learn new skills and shed old ones, producing efficiently and fighting for his rights as a worker through a trade union. He may have still deep interest in land, but this does not come in the way of his career.

Though high absenteeism is not there, but some absenteeism might be due to the attachment to farm life among the workers, although it is not so alarming.

According to E. A. Ramaswamy, we like to know what are the life
chances and aspirations of industrial workers vis-a-vis other sections of the society? How are workers differentiated among themselves? To what extent they constitute a distinct interest group or class in the society? What is the nature and extent of their involvement in trade unions? What role do they perceive for themselves in achievement of the goals of a modern industrial society committed to economic growth and social equality?

1. Social background of industrial workers

A large part of sociological research on Indian industrial workers consists of analysis of their social and economic background. In the initial stages of industrialization, 50 years ago Buchanan and Prabhu conducted research among the workers and it was observed that factories were largely established in urban areas but industrial jobs were manned by migrants from rural areas. Rural society was at that time believed to be a closed tradition-bound, well knit society. Hence those migrated to towns for industrial jobs were low caste farmers artisans and servicemen who were pushed out of their village due to economic deprivation. These migrants left their families behind in villages and lived themselves in working class quarters in towns. They missed their family and community life while in town and hence frequently returned to their villages. Their social life in towns was more or less an extension of their social life in villages.

But today by all means this situation is different. Factory workers are drawn from all sections of the society (Harris I960, Lambert : 1963; Vaid : 1968 Sheth 1968 Sharma 1974) while some of them are migrants from rural areas and agriculture based jobs, there are among them permanent and semipermanent urban settlers who no longer have any nostalgic attachment to the romantic surroundings of the Indian village. In some places the social characteristics of industrial workers (e.g. caste background education, age, family size etc.) closely resemble the corresponding characteristics of the urban population around them (Lambert : 1963; Vaid 1968). The progressively increasing use of sophisticated technology implies the employment of young educated people from the various strata of society. They are much younger, better skilled and English speaking. They are diploma and degree holders from different technical institutes. They are more capable of concerted action and organisations than the others. They are able to fight for their rights. Industrial jobs has in many ways acted as a leveller in the traditional social and economic structure of Indian society. Most of the workers are born and brought up in cities therefore they are more aware, alert and careful as well as exposed to mass media and urban environment. They worry for their children's future.

2. Recruitment and Commitment
Kerr and Moore in 1960s observed in their studies of industrialization of non-industrial societies that rural agricultural low caste background of industrial workers and their attachment to rural social life made them to fly to their native homes very frequently as they considered industrial jobs a necessary evil. These scholars were convinced that a high degree of absenteeism and labour turnover among workers and a low degree of productivity as compared to workers in other countries was very prominent. They also contended that the process of industrialization took place slowly due to the non-acceptance among workers of the strange urban industrial social system and its different culture. So Indian workers were labelled as non-committed to the modern industrial system or at least partially committed" to industrial work.

Kerr Harbinson Dunlop and Myers write "The industrial society is held together by a system of rules, relationships statutes and beliefs quite different from those of an agrarian society and the transformation from the latter to the former is generally disrupting and painful ....". Moddier has suggested that the value system of the industrial worker militates against industrial values. Myers feels that hurdle is deep rooted in the Indian way of life and MC Cormeck has attributed it to family practices and relationships. Myers puts it simply when he says that it is the city living that is disliked and not the factory job. He observed that in Bombay (Mumbai) the factories had no difficulty in attracting people from the rural areas but poor labour conditions often drove them back, generally for social reasons. More than 3/4th of the workers in Lambert's study spoke of their intentions of remaining in factory employment. 61% of the workers in Vaid's study in Kota were certain that they desired to remain in factory jobs even if they lost their current jobs. Moore and Feldman's definitions of "commitment" is that "the committed worker has severed his connection with the land and with his tribal background. He is fully urbanized and never expected to leave industrial life". We find that Indian worker is "partially committed" to use Myers' observation. Studies have shown that though the Indian worker is fully urbanized there is still "a sentimental feeling" for the village, perhaps a result of the inconvenience and difficulties met in the city". Rashmi C. Ved's inquiry revealed that 50% among women workers from modern industries and 24% from traditional industries had broken all connections with their village so they never visited them.

Vaid has argued that absenteeism and turnover were not good indicators of lack of commitment. For him absenteeism could be a function of a variety of forces (such as personality, supervisory behaviour sickness). Low productivity too is dependent on several factors relating to management and technology rather than on workers' commitment (Sheth : 1971).

Sharma and Vaid observed the following characteristics among
Indian workers in their studies —

1. Workers migrated from rural areas are better in attendance, more regular and hard worker than those who came from cities.
2. They also could adjust with their work quickly.
3. Today these workers are well aware of the economic security, better income and status and therefore they would like to change their jobs.

Later studies confirmed that today workers are from the families which have had such experience for 2 - 3 generations. Modern technology demands some formal technical training among workers. Most of the workers are near their rural areas as per the policy of the dispersal of industries. Recruitment of workers is still largely through informal social channels, but workers with special skills are increasingly recruited through formal selection procedure and employment agencies. Labour laws and management attitudes have entailed considerable job and social security for workers. A number of studies also show that rather than the social background of the workers, it is superior technology, high job status and employment in a large factory which determine high commitment among workers towards work. The nature of job determines the kind of attitude a worker can have. The repetitive and monotonous kind of job done by a machine operator naturally produces less commitment, an unskilled worker who performs manual jobs is also less committed i.e. have less devotion or sincerity. Comparatively highly skilled maintenance men and tool makers are more sincere and much committed towards their work. They like their job.

It was found that Bangalore workers were more production conscious and admired conscientious work. They wanted to do work which are skilled, contain some variety and from which they would learn something new and useful. The job of craftsmen was considered more satisfying.

In this background it can be rightly said that Indian workers are not less committed to their work. On the contrary they want modern industry to show some commitment to them.

3. Attitude towards work

Lambert, Vaid and Sharma observed the following aspects of Indian workers in their studies.

1. As far as satisfaction is concerned, it was observed that those who had relatively higher status within the factory hierarchy and those working with more sophisticated machinery and tools felt better placed and satisfied.
2. These workers also adjusted well with their work especially those who had higher status, higher income and higher skill as
well as technological sophistication.

3. Workers who were challenged by work technology and promotion opportunities were more satisfied. Therefore it was recommended by the sociologists that workers with higher skills must be given better opportunities to improve their status or income. Also such workers must be given challenge to do better by having better job design and promotional chances.

Wedderburn and Crompton also suggested that technology determines work orientation. For them the continuous process technology created interest and gave sufficient freedom to try out their own ideas. In contrast workers in the machine shops found their work boring and felt that they have little freedom or discretion in the organisation of their work.

Even on work orientation of Indian workers, Goldthorpe Lock Wood and their collaborators have pointed out in "The Affluent Worker (1968) that the orientation of the worker toward work is the result of his definition of the work situation. For Gisbert, the Indian male born and bred in the traditional joint family and shaped up in it up to the time he grows, is handicapped to make his own decision due to the over protective and paternalistic attitude of the head of the family. The self confidence or the sense of responsibility is not built properly as a result the worker becomes dependent and considers his employer as mai-baap i.e. parents and expects him to protect him. He possesses a sense of insecurity and tends to be submissive servant. Even protective laws have made the workers more irresponsible towards production.

But today many studies of worker motivation in India have suggested that the physiological and safety needs of the workers are more or less satisfied. In view of this, the workers are increasingly concerned about their social and ego needs. Many research findings reported that the socio psychological needs of the industrial workers remain largely unsatisfied.

It is believed that only wage, is not sufficient. Higher status and recognition also contribute to the positive attitude to work.

Technological development is likely to create opportunities for workers but at the same time unskilled jobs have gone.

Thus on the basis of studies on Indian workers and their attitude towards work in general it can be concluded that,

1. Today, workers are more aware of their position and are concerned with their future.
2. The workers are not much dependent on their employers for their betterment.
3. Workers now look forward for their job security, Skill
enhancement and promotion by working hard. They take their job as the source of livelihood and have become more sincere and responsible towards it.

4. Social Consequences of Industrial Work

A large number of industrial workers are employed in the [unorganized sector where employers enjoy a great deal of immunity from the regulative labour and industrial legislation. It has been seen that trade unions have provided the workers a sort of identity as "members of the [working class". They also have become more disciplined and job conscious.

Mobility and Occupational Aspiration

In spite of a worker's confidence in regaining jobs easily, mobility among units was found to be poor. This shows that even earlier workers reluctant to change jobs. This is more so today. Lambert found mobility among units poor. Amongst workers 727% had no more than one previous job and the average number with previous jobs was only 1.14%. Gisbert feels that most often the workers' orientation towards work is largely decided by external factors. Joint family's overprotectiveness gives no sense of confidence to workers according to P Gisbert - Kamla Chowdhary expresses the view that unlike his western counterpart the Indian worker is marked by excessive obedience and lack of competitiveness. Most probably, family obligations, sometimes a poor record of education and work experience and the difficulty of finding lucrative jobs is responsible for low mobility and also for the low level of occupational aspirations. Sometimes traditional obligations act as a hindrance to full commitment. But as Moore and Feldman described Indian worker as over-committed worker who is "committed to not only to industrial life but also to his particular occupation or his particular employer. "Perhaps the Indian worker is more adventurous, but his aspirations are undoubtedly low. This may be lack of better opportunities available in India. Their general level of education is also very low. Workers did not show any desire for upward mobility. Lambert found that 62.4% of workers he studied expected to stay in the same rank even in near future. Workers at higher level had somewhat higher aspirations. Highly skilled jobs were more attractive and thereby found that job satisfaction was highest among skilled workers and lowest among semi-skilled workers. This coincides with Vaid and Sharma's findings that superior technology) contributes to better work adjustment. Lambert found that the level of aspiration varied from factory to factory but it was the highest in the most modern and technically advanced engine factory. Lambert did not fine caste as important factor. Sharma also found that education influenced a person's level of occupational aspiration.
On the basis of these studies, certain characteristics of Indian workers can be listed out in the following way:

a) Less dominance of caste system: Indian workers are still divided and subdivided on the basis of caste, region, religion and language but these are not very important today. With the introduction of reservation policy by the government the caste structure has lost its significance in industries.

b) Higher education: Though Indian industry got agricultural hands during its early days, it has now been securing workers with high educational qualifications compared to the minimum qualification of job.

c) No more agricultural work experience: The research studies conclude that most of the workers have rural background but do not have agricultural work experience.

d) Good attendance record: The research studies show that today among the modern workers absenteeism is far less. Most of the workers with rural background have a good attendance record. Immigrants displayed work adjustment superior to that of local employees.

e) Good working conditions: Workers who work in better conditions and have less stress, do not go absent from work.

f) Low mobility: Indian workers are less mobile. They do not leave job and go to another. This is mostly due to excessive obedience, lack of competitive spirit, having desire of staying in or nearer to the native place, resistance to change, problem of adaptability to the new environment and organisational climate etc. This shows that Indian worker does not want to learn continuously after attaining certain age or some goals. He is habituated to do routine tasks rather than accepting challenging jobs.

g) Desire for job security: Indian workers are more keen on getting jobs which offer security. They want permanent jobs though initially the job does not have high salary.

h) Less Unionisation: Indian worker, though he subscribes his name to some union or the other, he does not participate in any of the union activities. Most of the workers are highly self centered.

i) Wages: Most important: The Indian worker's attitude towards the organisation does not seem to be influenced so much by the work he does as by the wages he earns and his seniority in the organisation. Higher wages create more interest and more authority. It also provides more sense of responsibility.
j) More disciplined: Today workers are ready to be disciplined and controlled. They follow most of the rules.

k) Low level of aspiration among Indian workers: Workers do not have high level of aspiration in view of the limited opportunities available to them within industrial organisation.

l) Technology and workers: If the technology is superior, the worker accepts the challenge and can adjust well with the work situation.

m) Skill and workers: Skilled workers are more satisfied than unskilled workers.

n) Workers and aspirations: Workers at higher level have higher aspiration.

8.4 ORGANIZATION

Organization is a group of people working together under authority towards achieving goals and objectives that mutually benefit the participants of the organization. It is clear that people who work together require a defined system or structure through which they relate to each other and through which their efforts can be co-ordinate.

Functions of an organization:

There are three kinds of functions which must be performed when ever an organization comes into being:

a. Division of labour:-

Since an organization is a structure of human association, it involves individuals and groups of individuals to join together to perform certain task and therefore division of work is done. This leads to fixing of responsibility, delegation of authority and specialization which are the principles of an organization.

b. Combination of labour:-

Because there is division of labour from the structural point of view it results in various units, departments and division of an organization. These divisions are made on the bases of skills of the workers, the tools and the machinery used.

c. Co-ordination:

This is achieved through leadership in the structural sense. It involves fixing of responsibilities and delegation of authority. It
establishes control of authority. It establishes control which provides for efficient performance of activities.

8.6 FORMAL SECTOR

It is also known as organized sector. It can be defined as “the sector which covers the labour force in all the enterprises in public as well as Private Sector which has more than ten workers”. These organized units are largely supported and protected by the Government. They provide better wages, good working conditions and sometimes even pension facilities to the workers. They include manufacturing and service organization like commercial banks, insurance companies, manufacturing companies, tourism, communication companies etc.

The structure of a formal organization can be depicted in a diagram form as under:-

![Diagram of formal organizational structure]

In any organization there is a hierarchy. Hierarchy refers to the various levels of authority in an organization. The formal organizational structure is presented in the form of a pyramid as above. At the base of the pyramid are the workers, moving up the pyramid are the first line supervisors usually referred to as supervisors or foreman. Such people use both technical knowledge of their job as well as skills in human relations. They have direct authority over the workers. Over these are the people of middle management consisting of Superintendent Plan Manager and HOD. Individuals at this level sometimes feel they are caught in the middle as they are pushed and pulled by such managers on each side of them. They are responsible for the implementation of policies framed by the top management which include Senior Executive/ Presidents and Vice Presidents who constitute the administration of the organization. Above them is the Board of Directors elected by the share holders of the corporate body. They influence the overall policies.
Authority Structure of the Formal Sector:-

This may be:-

1. Vertical Structure
2. Horizontal Structure.

1. **Vertical Structure:-**

   It clearly states that the lines of authority passed from top to bottom. At the top ultimate power lies in the hands of top management who holds the highest position in hierarchy. He has subordinates who are directly accountable to them. His subordinates will have their subordinate and in this way the hierarchy goes on until the lowest level. This structure is based on two traditional principle.

   a. The scaler principle which is related to a chain of commands i.e. authority and responsibility in an organization should flow in a clear unbroken line i.e; from the top authority to the workers who are at the bottom of the hierarchy.

   b. Unity of command means that no subordinates shall be responsible for more than one superior because orders from one superior may conflict with orders from another superior and therefore the subordinates may be in an awkward situation.

2. **Horizontal Authority Structure :-**

   This indicates the relationship between peers and fellow workers across the organization. Individuals located at the same level normally have no authority over each other. They are rather equal in terms of authority and formal influence and more or less equal in social status also.

**TYPES OF FORMAL SECTOR:-**

They are as follows:-

i. Line Organization
ii. Staff Organization and
iii. Functional Organization

i. **Line Organization** : In a line organization authority and power pass from top of the hierarchy to the bottom level step by step through downward delegation of authority and responsibility. All major decisions and orders are given up the top exclusive to the to the immediate subordinate. When authority flow from top to subordinate level in more or less a straight line, it is known as line, it is known as line organization.
Characteristics of Line Organization:-

1. Each manager has direct authority over his subordinates.
2. Each one report to only one immediate superior.
3. Managers have complete authority in their own areas of operation.
4. Authority flows downwards and responsibility flow upwards.

Advantages of Line Organization:

a. It is the simplest type of organization that can be easily defined and explained.
b. It is economically effective and quick decision can be taken.
c. Responsibility is fixed and unified at every level.
d. It provides greater control and disciple in the organization.
e. It develops the officers in all round capacity to take higher position on line command in the department.

Disadvantages:-

a. It overloads the executive with activity therefore long range planning and group formation are neglected.
b. It does not make for specialization as one executive is required to do all the work.
c. It is based on one man management therefore decisions taken are arbitrary.
d. Distribution of work is not according to any scientific plan but the whims and fancies of the executive.
e. It can encourage nepotism and promotion becomes a matter of flattery.

ii. Staff Organization :-

Staff managers ordinarily do not have direct authority over the line members. Staff members have technical or professional knowledge and hence provide assistance or advice to line members. The staff members provide service as well as advice on activities such as planning, research or determination of executive manpower needs. There are two types of staff.

a. General Staff
b. Special Staff

a. General Staff

General staff have general background which is usually similar to the background of the executives and provide assistance to the top management in one capacity or the other. They are not specialist and therefore they do not have direct authority or responsibility. They may be known as special assistants or
assistant managers.

b. Special Staff:

They have special background in some functional areas. They provide expert advise and service to the organization such as research and development, purchasing, statistical analysis. In the modern industrial world almost all business organizations have line and staff organizations.

iii. Functional Organization :- [structure]

The functional design is also known as “u” for organization [u= unity]. Some of the major functions are production, marketing, finance, HR, legal research, development and so on. The type and the number of functions would depend upon the type of organizations Eg.: A service organization will have different functions. The functional structure divides the organization into different departments according to their main functional areas.

Advantages of Functional Structure:-

1. It improves efficiency as well as the quality of products because the specialist is involved in each functional area.

2. The functional structure helps in better communication and co-ordination within the department.

Disadvantages :-

1. It indulges narrow specialization rather than general management skills and therefore functional manger executive positions.

2. Functional units may be concerned with their own areas and therefore less responsive to the overall organizational needs.

3. Co-ordination is more difficult to achieve and hence it may seriously delay responses affecting the entire organization.

The Industrial growth up to 1991 was mostly based on the socialistic pattern of society. Indian economic system had been based on the mixed economic pattern. Therefore, public sector played a dominant role. Government used to industries for the violation of any rules. Government also encouraged and supported many new units of production and also allowed diversification of products. Government also issued technological policy and industrial policies for regulation of production. Government also wanted to create more employment through these industries. Thus employment generation was the main objective.
Organised sector is defined as the one covering labour force in all the enterprises in public as well as private sector employing 10 or more workers.

Organised units are being supported and protected by the government. They also provided better wages, good working conditions and other benefits, even pension facilities to the workers. Many people developed and made their careers with organized units. There are manufacturing organizations, public sector service organizations like commercial banks and insurance, private sector service organizations like banks, transport tourism organization, finance companies or communication like mobile phone services, television etc.

Organised sector is standardized. They operate mostly on systematic lines. Demand for labour in this sector is balanced with the supply of the same through the efforts of the employment exchanges; consultants, advertisements, trade unions etc. There is formal selection procedure used for appointment. Workers or employees are regulated by formal laws. The organization is also formally controlled, has hierarchy of authority, work well planned, basis adopted as specialization of knowledge, effective line of communication, higher pay-scale according to ability and experience. There is formal indirect contractual impersonal and temporary relationships predominant in such organizations.

Organisation in this sector train and develop the employees through their efforts. They pay the wages / salaries to the employees based on job evaluation and their ability to pay. Trade unions in these organizations are strong. They regulate the HRM practices in these organizations.

**Nature of work or the pattern of relationships in the formal sector**

According to the studies conducted by Braverman and others, skill initiative and control are steadily removed from work with the development of mechanized and automated production. In addition, the labour process has been increasingly ‘rationalized’ in capitalist society. Tasks are minutely divided into simple operations and directed and organized by management. This development applies not only to manufacturing industry, but to work in general. The net results of these changes are (1) deskilling of labour force (2) reduction of its control over the work process and in particular, cheapening of labour power. Workers are forced to sell their labour power in order to subsist. Their work has undergone a process of degradation which involves the removal of skills, responsibility and control and work process is dominated by the employer and management.
Organised sector is restricted to manufacturing, electricity, transport and financial services. Its share is 7% of the total employment in 1999-2000 i.e. 28 mn out of 397 mn total employment.

The organized sector comprises of the public and private sector. Public sector’s share in the employment in the organized sector was 71% during 1983-94. Now it is declined due to the government’s policy of reducing employment in the public sector.

The share of the private sector has been less than 1/3rd of the employment in the organized sector. The private sector is profit motivated and does not generate employment as the public sector.

**CHARACTERISTICS OF FORMAL SECTOR:**

1. It is impersonal or abstract in nature i.e. it is the job or the position which is of prime importance whereas the men who perform the role are secondary in nature.

2. The relationship between the members is designed in such a manner that the formal relationship are in coordination with plans which are laid down to achieve the goals of the organization.

3. It is a part of the wider system and it includes material and non-material elements as well as economic, political and administrative system which may be reflected in the human environment.

4. All individuals in the organization are assigned specific duties and responsibilities.

5. All the activities are directed towards the attainment of the goals.

6. There is a clear distinction between superior and subordinate relationships.

7. There is a system of coordination between the activities of the individuals of the departments.

8. All formal organization have their own rules and regulations.

**PROBLEMS OF FORMAL SECTOR:**

Some of the problems faced by the workers in the formal sectors are related to automation, privatization and liberalization. Due to the merger of Indian industries with multination companies the workers are facing the problems of lay off, voluntary or compulsory retirement. A large amount or number of workers are
unskilled or semi-skilled and therefore there is little scope of their employment. Even the skilled workers have to improve their knowledge. There is no job security as the system of ‘Hire & Fire’ is followed. Information revolution has changed the entire demand and supply pattern. The union have not been able to protect its members because of downsizing and outsourcing. Due to all these factors, the numbers of workers have become less and they have lost their strength to bargain with their employers.

There are problems in the organised sector too. Due to automation, privatisation and liberalisation the industrial scene is mostly changed. Many industries are being merged with many international or multinationals hence their Indian units are closed. Workers are facing lay offs, voluntary retirement or compulsory retirement. Many unskilled or semiskilled workers are losing their jobs as there is no scope of manual jobs.

Even highly skilled labour have to improve or renew their knowledge to maintain their demand. Now no doubt workers are better paid, there is no job security. Workers move from one organisation to another. New generation workers have to work very hard to find suitable jobs for themselves. Industries especially large scale factories are closing down and business processing industries are being, instituted in place of them. Their job is to collect, process data and supply them to their customers. They undertake administrative functions. Information revolution has changed the whole demand and supply pattern.

Though the workers in large industries are unionised, unions fail to protect their jobs. They are also unable to dictate their terms and conditions due to downsizing and outsourcing of industries. Though unions are still struggling it is not possible to achieve the earlier status. Workers have become less in numbers therefore have lost their strength.

Workers in plantation and mines: Though these are organised formal sector, working conditions are very bad. Workers have to work under very poor sanitary conditions without adequate ventilation. Drinking water supply is absent. Wages are very low. Mostly women along with their children work who are not given any facilities. In mica industries, it is noticed that very small children who come along with their mothers have to be in their mothers' lap, inhale minute mica particles, their face get covered with sparkling mica. In plantation, workers are not given sanitation facilities, good comfortable houses or even no protection from rain or sun while at work. They are not even given proper rainy shoes. Regarding hours of work it was observed that plantation workers work for 10-12 hours a day even though under the Factory Act 1948 they should not work for more than 8 hours a day.
8.6 CHECK YOUR PROGRESS

1) What do you mean by worker?
2) Discuss organization and its function.
3) Highlight structure of formal organization.
4) Analyse Characteristics of formal sector.

9.1 INFORMAL SECTOR

According to the definition given by the Central Statistical Organization the unorganized on the informal sector includes all those incorporative enterprise and household industries which are not regulated by any legislation and which do not maintain an annual account or balance sheet.

According to a noted economist Banerjee - “Unorganised sector is one which caters to the local market and to consumer who comes from the lower segment of the society.

According to Nirmala Banerjee - “The unorganized sector consist of loosely formed groups which includes self-employed person, wage earners, family members and house hold workers. Hence it is therefore called as the informal sector.”

It can also be defined as the spontaneous or deliberate grouping of men in which the structure is not clearly defined or methodically distinguished.

The component organisation in an unorganised sector include small industries, tiny industrial " units, cottage industries, shops and establishments, hotels, restaurants, mobile business or trading units, taxi operators, agriculture etc.

Demand for and supply of labour in this market is mostly balanced through casual labour and contract labour. These practices are more prevalent in the third world countries. Organisations in this sector do not follow any systematic or scientific method of recruitment or selection. Candidates are mostly informally employed. They also accept low wages. Sometimes their skill is considered.

Organisation in informal sector normally do not design the jobs, do not plan for man power. They do not undertake any measures to train or develop the employees. Performance appraisal through formal means never takes place in the informal 'organisation'. Employees are normally offered minimum wages as announced by the government. Some organisations avoid paying even the minimum wages. Normally the organisations do not provide
employee benefits welfare measures, fringe benefits etc.  
Most of the organisations do not have trade unions. Trade unions are generally weak even in these organisations wherever they exist. Employee grievances, industrial conflicts etc. are rare to find in this sector as the employees have to accept the wage offered by the employer. Further they also accept other terms and conditions of job.

The informal sector mainly consists of people who are self employed and provide needful services but in unorganised and unauthorised manner e.g. street hawkers. This sector may cover wide range of activities like retail and wholesale trading, repairing and servicing, casual labour and manufacturing etc. By definition the units in the informal sector are considered those which employ less than 10 workers. But it is difficult to distinguish between formal and informal sectors.

Attempts have been made in ILO, studies to identify and to distinguish the informal sector. Taking a cue from the dualistic nature of the urban economies in the developing countries, the nature of organisation (organised and unorganised), the technology used (traditional or modern) the mode of production followed (capitalistic or subsistence) State recognition of the economic activities and State regulation of the product and the labour markets are taken as lines that demarcate the formal and informal sectors.

Thus the areas like manufacturing, construction, transport trade and services may be considered as informal sectors. But then again to differentiate informal sectors from formal areas, some criteria are evolved by the ILO groups which are as follows:

1. **Small size of operation** : The production or manufacturing activities are carried out on a small scale.

2. **Family ownership** : There is informal relations between the employer and employees. There is no functional division of labour or specialisation.

3. **Casual nature of employment** : Jobs are highly temporary.

4. **Use of indigenous and non modern (traditional) technology** which is labour intensive with fully manual operations involved in production process.

5. **Lack of access to State benefits** like the benefits of organised capital market, bank finance foreign technology, foreign exchange concessions, imported raw material, protection from foreign competition and a best of other concessions and incentives which are extended to the enterprises of formal sector by virtue of their having been recognised by the government.
6. **Competitive and unprotected market** arising chiefly on account of ease of entry, nature of product produced and its demand and the marketing arrangements which are exploitative.

7. **Unprotected labour market** giving rise to insecure jobs underemployment and depressed wages.

8. **Scattered nature of place of work** or of employment the place of work is spread out. Different types of activities are taking place in different places even in the same line of production.

9. **Contract nature of labour.** Mostly workers are employed on contract basis hence they are most temporary.

10. **Workers** - semiskilled and illiterate - mostly skilled or qualified workers do not work. Generally workers are migrants and do not possess sufficient qualification.

ILO has considered this sector as employment generating sector since it can absorb those who cannot enter the organised formal economic system due to some inabilities. It is argued that informal sector provides job and supplies goods and services which are needed by lower and middle classes.

Informal sector is largely unorganised unregistered and therefore unprotected. Generally the migrants enter this sector for dire need of survival. Informal sector is also referred to as large self employed sector.

The informal sector as per the 1993 SNA refers to productive institutional units characterized by (a) a low level of organisation (b) little or no division between labour and capital and (c) labour relations based on casual employment and/or social relationships as opposed to formal contracts. These units belong to household sector and cannot be associated with other units. In such units, the owner is totally responsible for all financial and non-financial obligations undertaken for the productive activity in question. For statistical purposes, the informal sector is regarded as a group of production units that forms part of the household sector as household enterprise or equivalently, unincorporated enterprises owned by the households.

**Rise and Growth of Informal Sector :-**

The importance of the informal sector in supporting livelihoods and contributing to production and consumption activities of developing countries is widely evident. However, lack of consensus across countries in regard to a clear and uniform definition of the informal sector has hampered its identification and
measurement for proper comparison. In addition, relationship between informality and economic growth is not straightforward and there is no chance and concrete evidence that this sector enhances economic growth.

The informal sector was originally treated as a residual emanating from the insufficient absorptive capacity of the formal economy. It has been emphasized in the literature that productivity growth in the formal sector act as a ‘pull’ factor in drawing informal sector workers and enterprises towards it. Paradoxically, informal sectors of most developing countries have actually increased over time. Informality has been characterized as a response to high transaction costs caused by cumbersome bureaucratic procedures for business start-ups and in some compliance with unclear and prohibitive rules and regulations.

Rise in informality is associated with economic restructuring and economic crises. Eg. The structural adjustment programmes [SAP’s] of the 1980’s and 1990’s is said to have increased the informal economy due to retrenchment of the public sector and associated liberalization policies.

The relationship between informality and growth is not only inconclusive but it can go in both directions.

i. Economic growth can have expansionary or contractionary effects on the informal economy and
ii. The informal economy can have a positive or negative impact on economic growth.

Sustained economic growth that is pro-poor is believed to reduce informality.

Developing countries with:

a. No growth
b. Capital intensive growth (jobless growth ) or
c. High-tech growth (rise in demand for skilled services sector jobs rather than unskilled manufacturing jobs) could experience an expansion in their informal sectors.

For eg., In Indian’s case, its GDP growth has been largely capital and information technology intensive rather than labour intensive, with limited formal employment generated in the manufacturing sector till 2002. The informal economy is assumed to be counter cyclical i.e contracting during economic booms and expanding during recessions. However, informal sector activities can also rise during times of economic boom, as exemplified by a recent study, where the informal enterprises were able to quickly respond to a rise in demand by evading the bureaucratic impediments of a formal
business setup.

**CHARACTERISTICS OF AN INFORMAL ORGANIZATION:-**

Any organization or business cannot operate completely within the framework. In reality workers of one department may know other workers from the other department and they together plan various activities which are beyond the control of management. Such organization helps the members to feel that they are human beings and also helps them to gain some recognition in the society.

Sociologist like Peter Blau & Elton Mayo have studied the informal organization and come to the following conclusion. Eg. In the large formal organization a close group emerges which works in an apparently opposite direction but its efficiency is better and more advantageous for the company. At the same time, the study revealed that due to the freedom given to the workers to express themselves. They developed more confidence and could also resolve the problems more efficiently.

Elton Mayo studied a group of industrial workers who had formed their own small groups which had rules that were not necessarily in compliance with those of the management but it was observed that the members followed them because they had the freedom to express their views freely, share their experiences and problems, cooperate with each other and at the same time have some kind of status which would not exist in the formal organization. Infact, on the basis of the relation within the formal organization social scientist can determine the functioning of the formal organization.

On the basis of these observation we can briefly note the features of the informal organization:-

1. **Ease of entry** – Since there is no need of any formal selection, workers can get job easily. In the urban areas there is more scope for individuals to get an entry if so desired. This results in the unorganized sector having all kinds of workers viz. skilled, semi-skilled, unskilled, literature, temporary or permanent.

2. **Reliance on indigenous resource**: Informal manufacturing units use goods, raw materials which are easily available and not very expensive. This includes the employment of workers who may not be very skilled or efficient.

3. **Family enterprise** – By this we mean that all family members contribute to the production of goods. As the work is of such a type that no special quality is required to perform the given task.

4. **Small scale of operation** – Production is on a very small scale
as a result of which the number of workers required is also very less the capital which is involved is invested at a very small scale.

5. **Labour intensive technology** – In the informal sector there is more emphasis on simple tools and machines or it is done by hands.

6. The skills for operating the production of goods is not obtained formally but learnt only by practice. It is only through observation that the workers gradually learns to master the art.

7. Since the goods produced by the informal sector’s are those which can be afforded by the poor or the middle class people, there are no advertisements or campaigns, but they are distributed on a door to door basis. That is why it is said that market is not stable or protected.

8. The informal sector is not officially recognized. Because of this they are not registered with the government. Also due to this they lose may tax concessions and they cannot apply for space, water or power facilities.

### 9.2 TYPES OF WORKERS

Workers in India are of various types. To know the working conditions, wage rates, life styles of various workers it is essential to classify workers in different categories. Each category is markedly different from the other ones. Such classification helps us to assess the problems of workers in each category. Though government has tried, to collect data on different types of occupations, establishments which employ labour, the basis of employment, condition of services but it is not sufficient. A vast body of informations collected by Labour Department show that there is wide variety of labour and a large number of workers are employed in different jobs. In 1971, it was studied that 43.34% were cultivators, 26.33% agricultural labourers, 28.9% were in mining, quarrying, livestock, forestry, plantations etc., 3.52% were in household industry, 5.94% were in manufacturing 1.23% were in construction, 8.0% were in transport, commerce an trade, while 8.75% were in other services.

An analysis of the reports of census on labour shows that a lar< variety of workers are found both in organized and unorganized sectt. of primary, secondary and tertiary nature. They are also working in private and public sectors.

In absolute terms, however, employment in the public sector ro to 143.98 lakhs and that in the private sector to 70.39 lakhs by l end of March 1978. The overall employment in the organized seel-
however increased from 207.44 lakhs at the end of March 1977 to 214.37 lakhs at the end of March 78.

To understand the problems of Indian workers, we must study different varieties of workers - their position, nature of employment, working condition, their commitments, attitude of government employers towards them. We can classify the workers in two groups - (1) Permanent and organized, (11) Unorganized under second group. We should study different types of workers like contract women and child labour.

I. Permanent Workers:

Workers are classified as permanent labour when they work in organized sector, their job tenure is long, they are permanently employed and they are receiving statutory provisions like adequate wages, D.A., H.R.A., transport allowances, medical benefits and other facilities. Mostly permanent workers are in factories - the most organized establishments - the number of workers engaged in factory establishments forms the bulk of organized labour. Permanent workers are the confirmed employees, completed at least five years, hence can enjoy gratuity, provident fund and pension provisions as given by the employers or the government. Permanent workers in factories, plantations, mines or in any sector whether private or public contribute most to the production. They are also organized into unions, can fight for their welfare and see that their benefits cash or in kind as promised by the government are reaching them. They can also protest against any unsafe working conditions, injustice or misbehaviour. Permanent class of workers are the most protected class by the government, employers and also by society.

Today, Indian workers are educated, trained, committed, sincere and responsible towards their work. If they go on strike they give “compensation for that. Permanent employees also do not suffer from any loss either financially or by benefits. Even during lay off periods or retrenchments permanent workers are protected.

In organized sectors, especially in factories, employment is fairly very large and important. Even in plantations and mines 8.9 millions of workers are working. Employment of labour in transport and communications group of industries is also fairly large, of which railways and posts and telegraphs are very important. They represent a great state enterprise. In March 77 the number of workers employed in Railways was 14.73 lakhs. Employment of workers in major ports is also fairly large. Among the industrial labour employed in transport services Indian Seamen constitute an important section.
II. Unorganized Labour:

This group of workers includes those who cannot be identified by a definition but could be described as those who have not been able to organize in pursuit of common objective because (a) they are scattered (b) the nature of their job is casual or seasonal (c) workers are ignorant and illiterate (d) small size of establishments with low capital investment per person employed (e) superior strength of the employer operating singly or in combination. It is difficult to take into account every sector of such employment and therefore, only those categories can be considered where the number of workers is large and where information about them is available in some form. For ex. (a) contract labour including construction workers, (b) casual labour (c) labour employed in small scale industry (d) employers in shops and commercial establishments (g) sweepers and scavengers (h) workers in tanneries (i) tribal labour (j) and other unprotected labour. Even those who work in households as domestic servants constitute labour in unorganized sector but they are not registered hence not known. Further, these categories include workers who are protected by some labour legislation and also others who are not thus protected at all.

So, we can see a large variety of workers are working in unorganized sector, they are less protected and not covered under government welfare schemes. They, due to their casual nature of jobs cannot be classified properly. Thus, they are deprived of their due benefits, e.g. women cannot get maternity benefits, leaves or other statutory provisions out of ignorance or due to employers’ reluctance.

a) Contract Labour

Those who work under contract or sub contract basis i.e. indirectly are called contract labour. Such workers are not taken care, unprotected, temporary, seasonal, and suffer from lack of any government protective or beneficial measures. Employers are not directly responsible for the payment of their wages, conditions of job, hours of work and other minimum facilities which they should get as workers. Mostly women and children are employed under contract. They are the most unprotected and unclassified workers generally employed by labour contractors, Sardar or other intermediaries. The origin of the widespread vogue of contract labour is acute labour shortages which compels employers to seek the help of labour contractors or other intermediaries. From recruitment to engagement by the contractors themselves for specific jobs is an easy step in quarrying mines and some seasonal factory industries. Contractors are still largely to be found in public works, road construction, in sugar, cotton ginning
and pressing factories, carpet weaving, in rice and flour mills, building construction and even in engineering and metal works.

Workers may be skilled e.g. as fitter, turners, weavers or semiskilled. Most of them, however, are unskilled and they work as coolies or do manual jobs.

'Contract Labour' can be distinguished from direct labour in terms of employment relationship with the principal establishment and method of wage payment. Unlike direct labour, which is on the pay or muster roll of the establishment and entitled to be paid wages directly, contract labour is neither on pay roll nor is paid directly. The establishment which gives out work to a contractor or contractors does not owe any direct responsibility in regards to his/her labour. In sever" contracts, the wage rates to be paid to labour are mentioned, but whether payment is made actually is hardly the concern of anyone. Neither the contractor himself nor the person/organization for whom the contractor works is responsible. The advantages to the employer in employing contract works are:

1. Production at lower cost,
2. Engaging labour without extending fringe benefits such as leave wages, Employee's State Insurance, or Provident Fund and bonus facilities.
3. General reduction of the overhead cost and the administrative burden of maintaining an establishment and
4. It is always economical to give work on contract basis rather than to invest huge money in installation and start manufacturing.

**Contract labour can broadly be divided into two categories:** (1) job contracts and (2) labour contracts. Large establishments give out contracts of jobs or of particular operation, e.g. work of loading and unloading of consignments can be given to contractors on lump-sum payment basis. The contractor engages his own workers. The contractor can be an individual or an establishment or a sirdar. The protection received by contract labour varies according to the situation.

The principal industries in which contract labour is largely employed are engineering, Central and State Public works Departments, railways, the cotton textile industry in some areas like Ahmedabad, dockyards, cement, paper, mining etc. In mines as already stated the bulk of the labour is contract labour and the system has spread to plantations also. In Ahmedabad about 10% and in cement, paper, and coir making industries about 20-25% is contract labour. Even in gold mines in Kolar one third of the workers, and in Bengal dockyard about 45% of the workers are employed through contractors.
According to some surveys by the Labour Bureau, when we see the percentage of contract labour to total labour in certain other selected industries, we find that in iron ore and manganese ore as well as in Jute Pressing the contract labour is maximum i.e. more than 70% while in construction (PWD) this labour is nearly 60%. In fire bricks it is 24% while in quarries, docks, salt, dal mills, toy manufacturing it is more than 32%. Contract labour is also more in wood work, metal rolling, cotton ginning and pressing, rice mills etc. Contracts are usually given out for work involving the employment of unskilled manual work, over which supervision is difficult.

Immediate employment of large labour force at short notice in order to speed up the work, the absence for a long time of any suitable machinery for employment, like Employment Exchanges, the lack of sufficient Supervising Staff and the shortages of labour have been some of the reasons for contracting the labour. Generally, manual work like building work, the loading or unloading of consignments, shifting of wooden boxes, removal of cylinders and stocking of goods in godowns, constructing the road etc. are given on contract basis. Even within the factory where labour is unskilled or semiskilled and supervision not difficult, work is allotted to intermediaries within the establishment. Employers are benefited, it is said by giving out the contract of jobs or of particular operations since they do not have to maintain an establishment. This reduces the cost. By not employing the labour directly the employer does not have to provide any welfare measures to workers. In case of certain jobs as in PWD and construction, the system of contract labour is found to be most convenient. Even in Air India and other such big companies there are certain categories of work which are always given on contract basis.

In the cotton ginning and pressing in U.P. it is estimated that about 75% of the work is done by contract labour. In the sugar factories also contract labour is provided with very low wage rates and very poor working' conditions.

But there are many disadvantages of contract labour. Most labour laws do not apply to contract labour and these laws which have been extended are not properly enforced due to migratory nature of contract labour. Most contractors do not possess any sense of moral obligation towards the workers and always exploit the helpless position of the labour in their charge. The contractor gets his contract by the lowest bid therefore he tries to pay as low wages to his workers as possible. The employers also do not provide any welfare work.

Even in construction industry contracting is there. Occupations in which contract labour is employed, range from purely unskilled work categories like loader, unloader, cleaner, sweeper and Khalasi to skilled job like polisher, turner, gas culture and riveter in all distribution and driller, blaster, blacksmith, carpenter and filter in
mining industry. Apart from these there are certain regular processes such as nickel polishing and electroplating in engineering establishments, dyeing, bleaching and printing in some units in textiles and designing and raising work in almost all carpet manufacturing units where contract labour is common.

The building and construction industry covers a variety of workers and operations. Its activities range from construction of dams and bridges and roads and track to factories and offices, schools, hospitals and ordinary residential buildings. Together with the requirement of maintenance of construction, this forms a major sector of employment. Most of these operations are seasonal and at times involve changes in the employment pattern largely due to climatic conditions. Big projects may employ workers at a stretch for many years. In urban areas construction of building or roads, goes on continuously. There has been rapid expansion in building and construction. For the most part such labour is quite unorganized and is scattered all over the country. Central and State Public Works Departments and Railways usually employ contract labour.

Most of the construction works are actually executed by big and small contractors, the latter usually working as sub contractors under a principal contractor. Unregulated entry of unqualified workers makes this sector a chaotic area and substandard work is therefore produced.

The National Commission on labour pointed out many evils of the contract labour system. According to it, "there is wide disparity in the wages, and working condition of direct labour and contract labour. Though the Wage Boards- are constituted, in absence of an effective implementation machinery, contract labour is generally paid wages very much below the rates prescribed for regular workers -in the industry." The Commission also points that "The condition of work of contract labour are far from satisfactory. Working hours are irregular and longer. The period for which payment is made varies from a day to six months. There is no security of employment, the job ends with the contract. Leave with wages is not available to contract labour."

As regards housing facilities, contract labour is never considered at par with direct labour. Benefits under the E.S.I. Scheme and Employees' Provident Fund Act are not available to contract labour because they are not qualified. Therefore National Commission has recommended for a stricter regulation of contract work.

**The Contract Labour (Regulation and Abolition) Act 1970**

The Act aims at the abolition of contract labour in respect of categories as may be notified by the appropriate government in the light of certain criteria fixed for the purpose and regulation of service condition of contract labour where such abolition is not
possible. It provides for registration of establishment employing contract labour and licensing of contractors. The provision and maintenance of certain basic welfare amenities like drinking water and first aid facilities and in certain cases, rest rooms and canteens for contract labour has been made obligatory under the Act. Principal employers have to provide them at the cost of the contractor. Provision has also been made in the Act to guard against default in wage payment.-The Act came into force since February 10, 1971.

b) Casual Labour

In absence of any permanent worker or to fill the vacancies temporarily casual labour is contracted. They are temporary employees and serve only for a specific period. They are also known as 'Badli' workers or substitute workers. In engineering industry casual labour is employed to fill vacancies caused by absenteeism and temporary pressure of work. Employment of casual labour is a common feature in Railways, the Public Works Department, both central and state, the state electricity corporations and employments in the private sector where the nature of work is similar. Employment of casual labour in several categories of work is well recognized and not objected to. It is taken exception to mainly when such labour is continually employed for long periods to circumvent the provisions of law, which confer benefits to permanent workers through better working conditions; more amenities and the like and what is more when used deliberately to restrict the scope of regular employment.

Still a large volume of labour is casual which is engaged for varying lengths of times, not in all cases they are kept casual for bonafide reasons.

Decasualization of Labour: Some factories have tried to regularise recruitment by a system of controlling substitute labour. This system, known as the Badli control system or decasualisation of labour, has been devised with the two fold purposes (a) of giving the badlis regular employment and (b) eliminating the influence exercised by the jobber in the recruitment of labour. Under the system, on the first of each month special badli cards are given to a selected number of persons who are asked to present themselves every morning at the gate when temporary vacancies are filled up from among them. No worker is recruited as long as 'badlis' holding cards, are available and according to seniority the jobs are filled in. Service certificates are issued to registered workers and the length of service is considered in providing jobs. Such workers can also be given some security of job through the scheme.

Generally these workers are less skilled, and are always in search of jobs. They are migratory in character. Because of their
continuous movement they cannot get any benefit of regular job.  

**c) Seasonal Labour**  
Seasonal Labour is the category in which workers work only for a specific period on contract basis, when some specific order is received. In carpet industries, work is contracted only when some order is received; similarly, loom workers work only on order. Thus road construction is a seasonal job, building houses is also a seasonal job. During rainy season no job is continued especially which are carried in open. Such workers cannot get any benefits as they are purely temporary employees. They are given daily wages and no other benefits like leave with wages, sickness allowances or even full wages are paid.

**d) Self-Employed Workers**  
Workers who are skilled and provide services to others on contract or daily basis are called self-employed workers. They can also call other workers to join them. They are painters, carpenters, plumbers or simple machine operators, e.g. cutting stone or marbles. These workers can install machine in some place and do work on job basis.

Problems And Social Security of the Workers in Informal Sectors:-  

As compared to the formal sectors, workers in the informal sectors face a plethora of problems which can be enumerated as follows:-

**i. Job insecurity** – Workers with the informal sector are employed in factories or industries for a temporary period of time. At the same time, the entrepreneur who employs them is also not very rich and therefore cannot afford to give them a proper job security.

**ii. Low Payment:**- Workers in the informal sector specially women are paid very low wages. This is probably because the whole business is not very profitable for the entrepreneur. Besides women are also considered here as a surplus staff that can be removed on any grounds without any intimation.

**iii. Lack of Skills :**- Workers do not posses high skills in the beginning. They learn the skills only during work hence the productivity cannot be increased. Besides the age of the worker may vary from one type of work to the other.

**iv. Workers ar unorganized :**- Workers in the informal sectors belong to different caste, religion, language and race. As a result of this they are not organized or unionized as a result of which their bargaining capacity reduces.

**v. Workers are less in numbers:**- Although the numbers of
workers in informal sector is high compared to formal sector, but the employers cannot appoint more than certain number of workers. As a result they cannot become powerful. Also the space in which these sectors operate are very small which makes it impossible to hire more an more people and make them work in the same place.

vi. **Large number of women and children as labour** – owing to the informal nature of industries and production of goods which requires delicate hands and also no special training, large number of children are employed in informal Sector. Another factor is that many of them are illiterate and therefore the employers can get more work with less pay. Even if they make these children work for longer hours at the cost of their health, they will not say or rebel in any form as they barely realize this is exploitation.

vii. **Loss cannot be implemented**:- Technically loss does not differentiate between organized and unorganized sectors. However, the basic right to the workers is denied to be given by the employer who’s intention is to only save money and make profit for himself. The workers are not even granted enough leaves and if they happen to take some, it is at the cost of getting deducted payment at the end of the month. No other provisions like PF’s or VR’s are given. Promotions are very rare.

### 9.3 SOCIAL SECURITY OF WORKERS IN INFORMAL SECTOR:

In India the term social security is generally used in its broadest sense, it may consist of all types of measures preventive, promotional and protective as the case may be. The measures may be statutory, public or private. The term encompasses social insurance social assistance, social protection, social safety net and other steps involved.

There are number of models of providing social security to the workers in the unorganized sector. These may be classified as under:-

- Centrally funded social assistance programmes.
- Social insurance scheme.
- Social assistance through welfare funds of Central and State Government.
- Public initiatives.

The centrally funded social assistance programmes include the employment oriented poverty alleviation programmers such as Swarnjayanti Gram Swarojgar Yojana, Jawahar Gram Samridhi
Yojana, Employment Assurance Scheme, National Social Assistance Programme [NSAP] comprising old age pension, family benefit and maternity benefits to address the social security needs of the people below poverty line.

The social insurance scheme include several schemes launched by the Central and the State Government for the benefit of weaker sections through the Life Insurance Corporation of India and General Insurance Corporation of India. There are schemes for the employees of shops and commercial establishments and other weaker section. ‘Janshree Bima Yojana’ is a group insurance scheme and covers natural / accidental death, partial or total permanent disability due to accident and the people below poverty line and marginally above are eligible to join the scheme. Another group insurance scheme for the agriculture landless labour, ‘Krishi Shramik Samajik Suraksha Yojana- 2001’ launched in July, 2001 provides for pension and insurance besides providing money back. The contribution of the beneficiary in Re.1 per day while the Government contributes Rs. 2/- per day.

Several public institutions and agencies are also imparting various kinds of social security benefits to the selected groups of workers. Among these Self Employed Women’s Association [SENA] has made significance achievement in promoting social security through the formation of cooperatives.

Welfare funds represent one of the models developed in India for providing social protection of workers in the unorganized sector. The Government of India has set up five welfare funds. Central Funds are administered through the Ministry of Labour for the bed and workers in certain other occupations for whom no direct employers – employee relationship exists and is implemented without any contribution from the Government. The scheme of welfare fund is outside the framework of specific employer and employee relationship in as much as the resources are raised by the Government on non-contributory basis and the delivery of welfare services is affected without linkage to individual workers contribution. These funds are constituted from the cess collected from the employers and manufacturers / producers of particular commodity/ industry concerned.

The Government has also enacted a central legislation for the building and other construction workers towards creation of welfare funds at the level of States. These are around 20 million construction workers in the country. A small cess is collected on the basis of the cost of the construction project which makes the corpus of the welfare fund for the construction workers. All facilities as enumerated above are provided to this section of the unorganized sector workers. Presently three states in the country namely : Kerala, Tamilnadu and Delhi have started implementing
schemes under this Act. However, other States are in the process of adopting.

Moreover, the welfare fund model have successfully been implemented by various states for various categories of workers. The State of Tamilnadu is running 11 Welfare Boards for workers like construction workers, truck drivers, footwear workers, handloom and silk weaving workers. Similarly, State of Kerala are also running several welfare funds for agricultural workers, cashew workers, coir workers, fisherman, toddy tapers etc. The model is so popular that some of the States ;ole Andhra Pradesh, Karnataka and Madhya Pradesh are in the process of bringing out their own legislation for creation of Welfare funds in the unorganized sector workers for providing them social security.

9.4 DIFFERENCE BETWEEN INFORMAL AND FORMAL ORGANIZATIONS:-

1. Widespread interest in informal organization developed as a result of the Western Electric Studies in 1930. These studies show that informal organization is an official network of personal and social relations which is not established by formal authority. It arises spontaneously as people associate with one another. The emphasis within informal organization is on people and their relationships whereas formal organization emphasis official position in terms of authority and responsibility.

2. Informal power is attached to the person while formal authority is attached to the position and a person has it only when they occupy that position.

3. Informal power is personal but formal authority is institutional.

4. Powers in informal organization is given by group members rather than delegated by managers. Therefore, it does not follow the official chain of command. It is more likely to come from peers than from superiors or supervisors in the formal hierarchy and it may cut cross organizational lines in other departments. It is usually more unstable then formal authority.

5. As the informal organization is subject to the sentiments of people and because of its subjective nature, informal organization cannot be controlled by management in the way a formal organization is controlled.

6. A manager typically holds some informal powers [personal power] along with formal power [positional power]. But usually a manager doe not have more informal power. This means that the manager and the informal leader usually are two different
persons in the work group.

7. As a result of difference between formal & informal sources of power formal organization may grow to immense size but informal organization tend to remain smaller in order to keep within the limits of personal relationship. The result is that a large organization tend to have hundreds of informal organization generating thought.

8. Because of the small size & instability informal organizations are not suitable substitutes for large formal organizational agitations of people & resources that are needed for modern institutions.

9. Workers recognize the differences in rules played by formal & informal organization including the more secondary role normalcy played by the informal organization. One study of workers & managers saw the informal organization as influential & beneficial. They viewed the formal organization as more influential & beneficial.

9.5 SUMMARY

Loss of employment in the affected sectors as business closed down & GDP contracted, was considered to be the most important social consequence of the crisis that India is facing. The bulk of the job losses was concentrated in modern sectors that depended on institutional finances, the lack of which resulted in the closures of many firms. As a result, many skilled workers were pushed into taking relatively in period jobs in the informal sector. So India should above adopt the super of flexible labour market like other countries who allowed their affected employees to be reallocated from formal sector to the informal sector, thus moderating the impact of the recession.

9.6 Check you Progress

Q-1 How has the informal sector grown in the Indian Scenario?

__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

Q-2 Discuss social security measurer in India?

__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
9.7 REFERENCES


9.8 QUESTION

Q-1 Explain the characteristics & Functions of a formal sector.

Q-2 Analyze the different types of organizations in the formal sector.

Q-3 How does the formal sector differ from the informal sector?

Q-4 What is an informal sector? Discuss its characteristics.

Q-5 Discuss the problem faced by the workers in the informal sector & what type of social security is offered to them for the same.

◆◆◆
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10.4 Characteristics of Agricultural Labour
10.5 Nature Of Indebtedness
10.6 Suicide Scenario in Maharashtra
10.7 Summary
10.8 Check your progress.
10.9 Reference
10.10 Questions.

10.1 OBJECTIVES

1. To enable students a thorough knowledge about the problems of agricultural labour.
2. To bring the problem of farmers suicide to the limelight.

A) Agricultural Labour in India:

10.2 INTRODUCTION

Agricultural workers constitute the most neglected class in India rural structure. Their income is low & employment irregular. Since they possess no other skill or training they have no alternative employment opportunities either socially or economically. A large number of agricultural workers belong to scheduled castes & scheduled Tribes Therefore they are an oppressed class.

Definition:
Various attempts have been made to define agricultural labour by different experts & committees appointed by the government from time to time. The first Agricultural Labour Enquiry committee of 1950-51 regarded those people as Agricultural workers who were engaged in raising crops on payment of wages. Since in India, a large number of workers do not work against payment of wages all the year round, this definition was incomplete.

Accordingly, the committee laid down that those people should be regarded as agricultural workers who worked for 50 percent or more days on payment of wages. Therefore even those people...
were included under the category of agricultural artisans but who worked 50 percent or more days on the land of others against payment of wages.

The committee also defined an agricultural labour household. In the opinion of the committee, if the head of a household or 50 percent or more of the earners report agricultural labour as their main occupation, that family should be classified as an agricultural labour household.

### 10.3 CATEGORIES OF AGRICULTURAL LABOURERS

**a) Agricultural Labourers:**
Are attached to some cultivator household on the basis of a written or oral agreement. Their employment is permanent & regular. Accordingly whenever the master wishes, they are ready to work on his land. They are not free to work on any other place. In many instances attached labourers also do the task of domestic servants in addition to working on land. The hours of work are very lengthy & in some cases, attached Agricultural Labourers have to work from down to dusk in the houses & farms of their employees.

**b) All workers not falling in the category of attached labourers,** constitute casual workers. There are broadly three types of casual agricultural workers in India.

i) **Small Farmers:**
Who have very small holdings & are thus forced to work on the farms of others to make both ends meet;

ii) **Tenants:**
Who work on leased land but this is not their main source of income &

iii) **Share croppers:**
Who besides sharing the produce of land cultivated by them, also work as labourers to work harder & paidless than their male counterparts. Such bias against female workers exists in most of the dryland areas. At many places, wages paid to female workers are even less than minimum wages.

**6. High incidence of child labour in Agricultural Labour:**
Incidence of child labour is high in India & the estimated number varies from 17.5 million to 44 million. It is estimated that one-third of the child workers in Asia are in India. The largest number of child workers are in agriculture.

**7. Increase in migrant labour:**
Green revolution has significantly increased remunerative wage employment opportunity in pockets of assured irrigation areas while employment opportunities nearly stagnated in the vast rainfed
Demi-arial areas. Therefore, there has been a large flour of migrant labour from the latter to the former areas. The numbers of inter-state distress rural migrant workers is estimated to be around 10 million.

8. Whose of attached labour:
As stated in the sub section categories of Agricultural Labours, the agricultural Labour market consists of two types of agricultural labourers in India: (1) attached labourers & (2) Causal labourers.

10.4 CHARACTERISTICS OF AGRICULTURAL LABOUR

1. The class of Agricultural Labourers is the most exploited & oppressed class in rural hierarchy.

2. Marginalisation of Agricultural Labourers:
As stated earlier, the number of Agricultural Labourers in India in 1951 was 27.5 million & this rose to 73.8 million in 1991. As against this, the workforce in agriculture (cultivators plus Agricultural Labours) rose from 97.2 million to 185.2 million over the same period.

3. Low wages in Agricultural Labour Market:
Agricultural wages & family incomes of Agricultural Workers are very low in India average annual income of the Agricultural Labour households to Rs.437.

4. Unfavourable employment & working conditions in labour Market:
The Agricultural Labourers have to face the problems of unemployment & underemployment for a substantial part of the year they have to remain unemployed because there is no work on the farms and alternative courses of employment do not exist.

5. Agricultural Labour market discriminates against female labour:
Female Agricultural workers are generally forced.

The first group of Agricultural workers has been more or less in the position of serfs or staves; they are also known as bonded Labour. They do not normally received wayes in cash but are generally paid in kind. They have to work for their masters & cannot shift from one to another. They have to provide begar or forced labour. In some cases, they have to offer cash & also supply fowls & goats to their masters Among the other groups mentioned above the second & the third are quite important. The problem of landless labourers in the most serious problem in the rural sectors.
1) According to the second Agricultural Labour Enquiry published in 1960, Agricultural Labours families constituted nearly 25 percent of all rural families.

2) According to this, more than 85 percent of the rural workers are casual, scruing any farmer who is willing to engage them & only 15 percent of Agricultural Labourers are attached to specific landlords.

3) More than half of the workers do not possess any land, & then the rest of them our only very little of land.

4) Agricultural Labourers predominantly belong to the scheduled castes, scheduled tribes & other backword classes.

5) According to one estimate, between 75 & 80 percent of all Agricultural Labourers belong to the scheduled castes.

The latters are ‘free’ in the sense that they can refuse to work for a particular landlord or Zamindar at the prevailing wage rate. They can, if they so wish, leave the village & go to some other places for work. Attached or labourers, on the other hand, have no such freedom. They are attached to a particular landlord or Zamindar. Thus they have to work on the field of their master & have accept whatever of their freedom in a number of ways. Social customs, oppression & forcible subjecation, burden of indebtedness, etc. have all contributed to strenghten the crains of their serfdom.

C) Present position of Agricultural Labour in India:
Agricultural Labour is provided mostly by economically & socially backward sections, poor section from the tribes. It may be divided into four types :-

(a) Landless labourers who are attached to the landlords;
(b) Landless labourers who are presonally independent but who work exclusively for others;
(c) Petty Farmers with tiny bits of land who devote most of their time working for thers;
(d) Farmers who have economic holdings but who have one or more of their children & dependents working for other properous farmers. 2 percent of the total death in the state where as at the all India level suicides, accounted for 1.3 percent of the total death. Suicide is a social phenonenon that differs accross gender groups and it is appropriate to discuss patterns in males & females seperately. In 2001, the age adjusted suicide mortality rate (SMR, Suicids deaths per 1,00,000 persons) for Maharashtra was 20.6 for males & 12.6 for females whereas for India it was 14.0 for males & 9.5 for Females.
The total number of farmer suicides in Maharashtra increased from 1,083 in 1995 to 4,147 in 2004. The increase in male former suicides from 978 to 3,799. The SMR for farmers across divisions of Maharashtra during 2001-04 indicates relatively higher suicide deaths, than state average for male in Amravati & Nagpur divisions and for females in Amrauati, Aurangabad & Nashik divisions.

### 10.5 NATURE OF INDEBTEDNESS

In Maharashtra, the co-operative banks have been an important source of credit, particularly for agricultural purposes, in rural areas. A recent survey (59th around National sample survey, January - December 2003) indicates that in Maharashtra nearly half of the loans are from co-operative societies compared to about one-fifth for the all India average. However much of

D) Indebtedness And Farmers Suicide:
Introduction:
Farmers suicide have been receiving adot of social and public policy attention particularly in the states of Andhra Pradesh, Karnataka, Kerala, Punjab and Maharashtra in recent years.

A brief review of issues indicates that the dependence on Agricultural is largely among marginal & small farmers the unavailability of water its associated yield uncertainty. Linking of the national market with international markets has also increased price uncertainty particularly in crops like cotton. The absence of a formal rural financial market also leads to a dependence on informal sources with a greater interest burden. The marginal & small farmer is, however, willing to experiment & take risks. But, the farmer is not able to visualise that abad monsoon leading to a crop failure or a gult in the market canpush him into indebtedness and a crashing of dreams.

### 10.6 SUICIDE SCENARIO IN MAHARASHTRA

Suicide data in India is compiled through police records. In 2001, Maharashtra continued about 9.4 cent of the all India population but accounted. For 13.5 percent of the total suicide deaths in the country. Suicides accounted for A conventional form of collateral island. creditorsnour consider it risky because suicides can lead to cancellations of such contracts, & hence, insists on scale of land with a verbal (not legal) promise that it will be sold back to the debtor after the loan is repaid. If required, legal registration expenses on both counts are borne by the debtor Land seizure / mortage was mentioned in 17 percent of FGDS.

Some of the money lendsurs would also be traders. The loan taken could be for purchase of an input & repayment, through sale of produce. Interlocking of credit, input & output markets are not
necessarily enforced by the trader money lender, but operating with single trader - Money lender, would same transcation costs to the farmer.

Nearly 50 percent of FGDS discussed the pawcity of water. Despite delay & deficient rain, there were instances of people (whole village) opting for a second or thirds souring without any ground water dependence with seed replacement beingal most complete, it contributed to additional expenses for seed. In the last 5-10 years there has been an increase in the need & lost for fertilisers. All these added to the cost. The issue of spurious quality of inputs also come up in the discussions. This brings forth some important points.

(1) The absence of an extension service which could these loans are likely to be outstanding debts, not current loans. The per hectare loan in the selected districts is relatively lower (Shan 2006) A recent study of yvatamal indicates that more than half the members are defaulters with their credit lines choked from one to many years. This is so because over the years, the co-operative credit institutions were faced with a number of problems - high interest rates, accounting practices were not rationalised & no professional management to mention a few.

In the focus group discussions (FGDs) conducted in 98 villages with an average participant size of sex to seven (Minimum-two, Maximum-Nine) is that current operational loans are likely to be from money lenders. In to percent of EGDs, the avarialbility of the informal loans in the village was mentioned.

Informal loan transactions could be in ‘dedhi’. The debtor has to return the loan around harvest (within four to six months) & pay Rs.150 for a loan of Rs.100 Similarly, there is ‘Sawai’ Payment of Rs.125 for a loans of Rs.100) Another popular form of loan for agricultural & social purposes is at an interest rate of Rs.10/ Rs.5 per month. Non payment of loan leads to recurret of a fresh loan with some additional credit being given during the start of next agricultural season.

4. Crop Failure :
(i) Crop failure is mentioned is 40% of the cases and most of these also mentioned about less in second or third souring due to delay in rainfall (ii) There were a few cases which mention fire or theft. (iii) Crop failure can lead to economic dounfall and make it difficult to repay the existing loans. This will also increase the need for additional credit. (iv) Crop to loss can also happen due to excessure untimely rain, ray, during, the time of harvest.

5. Change in social Status :
(i) Change in social status was identified in (36%) of the cases. This can be associated with a fall in economic position.
(ii) Harassment by creditors or their agents due to non-payment of loans can also lead to a less of face in the community.
(iii) Crop failure due to unsuccessful experimentation by a farmer who was recognised as successful entrepreneur may find a change in his social status - People who earlier came for advice now provide solace.

6) Additional Risk Factor:
(32%) Imitation effect because an individual who is facing some similar socio-economic problem can relate to the earlier incident & contemplate suicide have advised the farmers against late souring or improper use of other inputs.

(2) With new Technology on the anvil, there is deskilling, and the farmers experience becomes redundant. The private traders selling farm inputs advise the farmer on extension service. This leads to supplier induced demand.

E) Reasons and causes extent of the problem- FS
The distribution of the risk factors based on a study in western vidarbha Maharashtra.

1. Indebtedness:
14 percent were harassed for repayment of loan and in 33 percent of cases the creditor insisted on immediate repayment.

2. Fall In economic position:
Indebtedness per se need not lead to economic downfall. but when repayment is difficult & the household may resort to sale of assets. similarly a fall in the economic reliance on credit and thereby increase the debt burden.

3. Not Discussing one’s problem:
Other (55%) leads to closing an avenue for letting out ones pent up feelings and frustration (28% mostly alcohol) an individual may indulge in an act of self-harm without being aware of the consequences.

Alternatively, getting inoxicated could be a reaction to get out of depression that can be assoicated with some socio-economic problem.

7) Personal Health Problem:
26% (6 cases) were those with some mental health problem. Illness gets aggravated due to poor economic condition because it makes care seeking difficult.

All health can lead to a loan to meet medical expenses and also reduce the ability to work aggravating with economic condition.

8) Death of another Member:
Death of another in the family before the incident was identified in
10% of the cases.

The near ones death could have been because of not receiving appropriate health care. Inability to provide care is largely because of the poor economic condition rooted in the large agrarian crisis.

9) Outstanding debt and absence of bullocks as - Statistically significant variable: Singni outstanding debt & absence of bullocks as statistically significant variables. If outolanding debt increases by Rs.1000 then the odds that the household one with a suicide victim increases by 6% and if the household owns bullocks then the odds that it is a household with a suicide victim decrease by 65%. Absence of bullocks may actually be a reflection of hardship that the household has been facing.

(ii) It also increases the costs on hired animal labour. The relevance of bullocks as a producture in Indian agriculture.

10.7 SUMMARY

The policy implication from the above discussion calls for an emphasis on the larger crisis; That of low returns & declining profitability from agriculture & that of poor non-farm opportunities.

- Risk management in agriculture should address yield, price, credit, income or weather related uncertainties among others.

- Improving water availability will facilitate diversification of cropping pattern, but this should go hand in hand with policies that increase non-farm employment.

10.8 CHECK YOUR PROGRESS

1. What do you mean by agricultural labouring.
2. Highlights reason for farmers suicide in India.

10.9 REFERENCE


10.10 QUESTIONS
1. Discuss in detail problems of agricultural labour in India?

11

CHILDREN OF WORK

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11.1 OBJECTIVE

1) To bring awareness among students regarding increasing poverty, migration (rural-urban) crime and its relation with child labour.
2) To study the miserable condition of children in manufacturing industries and in agriculture, due to poverty and debt bondage
3) To understand the weakness of legislation and rehabilitation write to control the child labour.

11.2 INTRODUCTION

In the year 2000, 2.2 billion people lived in the cities of the Third world. Their numbers are expected to double by the year 2025 (WHO1997) Many of them live in unplanned squatter settlements without water and electricity, in an environment of squalor, poverty, crime and disease nevertheless the cities seen to have lost nothing of their attraction for the rural populations although the larger share of the population increases in the cities of developing countries is
caused by the children of people already living there, the rural urban migration continues unabated.

11.3 ISSUES URBANIZATION AND THE PROBLEM OF CHILD LABOUR:

Although the internationally recommended minimum age for work is far from negligible almost all the data available on child labour concerns 15 years and the numbers of child workers are in the age group of 10 to 14 years. The proportion of working children has been much higher in rural than in urban areas nine out of ten are engaged in agricultural or related actives.

Girls moreover tend to work longer hours than boys. This is especially true for many girls employed as domestic workers this type of employment in which hours of work are typically extremely long. This is also the case of girls employed in other types of jobs who in addition to their professional activity, must help with the housework in the parents home. One of the factors affecting the supply of child labour is the high cost, in real terms, of obtaining an education. It is equally true than many become so discouraged by school that they prefer to work.

In manufacturing industries employ as they are children are most likely to be employed when their labour is less expensive or less troublesome. Prostitution is another type of activity in which children especially girls are increasingly found. The AIDS epidemic is a contributing factor, as adults see the use of children for sexual purposes as the best means of preventing infection. A large number of child slaves are to be found in agriculture, the carpet and textile industries, quarrying and brick making child slavery predominates mainly where there are social stems based on the exploitation of poverty, such as debt bondage when the motivation is the debt incurred by a family to meet a social and religious obligation or simply to acquire the means of survival.

There is a growing body of opinion that national and international efforts need to be more sharply focused on the most abusive and hazardous forms of child labour granting then first concern and priority (Holland and Blackburn 1998).

11.4 EXTENT CHILD LABOUR IN MINING INDUSTRY:
The fact finding team of Haw Centre for child Rights estimated that there are at last 2,00,000 boys and girls working relentlessly from morning to night in is iron are quarries. A little three year old boy carries an iron basin filled with iron ore lamps on his head, this early induction into the world of mining and exploitation being part of his children. These are not ordinary jobs that these children do. Sitting hunched over not ferrous ore, chipping away steadily at heavy metal with a hammer is no Childs play. At safest, it is painful for the shoulders and the back, the wrist joints and the arms while the little hands are covered in bruises and blisters. At its most hazardous, this occupation causes seve injuries and even results in death when heavy stones fall or the hammer in weary hands sometimes misses its aim. These children known no rest no play, no learning, nothing but the grim gird of a joyless existence. Therefore, most of the children belong to families of migrant laborers and this is the fate of these young boys and girls of our country.

However, the state of Karnataka is not the only mining region to engage child labour in India. A large number of children are engage in work in the mines of Andhera Pradesh, Rajasthan, tamil Nadu, Orissa, Jharkhand to name just of states in gross violation of human rights.

However, the involvement of child labour in the mining industry is a stain on the fabric of our modern society. India must rid herself of these practices and restore the principles of jair treatment to all. Pressure must be exerted on the government to act immediately and impose the law on unscrupulous employers. A price must be paid for breaking the back of Indian Children.

With the coming of industrialization, employers wanted to make quick profits at low costs in a short time. Therefore, employment of children in large numbers came to be widespread in many countries. These children were paid very low v/ages, had to work for long hours and were made to work under terrible conditions.

Conventionally, a working child is defined as a child in the range of 5 to 14 who is doing labour, either paid or unpaid. The term ‘child labour is derogatory and is used in exploitative sense. This is because the type of work and the working conditions are such that they deny opportunities for physical, mental and social development of the children. Consequently, their life chances are marred. So child labour can be defined in terms of age and the social situation in which it exists. Thus any child (between 10-14 years of age) who works within or outside the family for payment or no payment in any hour of the day is a child labour. Such children working either to support themselves or their families on full-time basis are known as working children.
According to World Bank report, more than 55 million children are working in various fields with 40 million working in Asia alone. So child labour is largely a phenomenon of underdeveloped countries. India has about 1/3 rd of the total child labour population of the world. At present, it is 13 million. Child labour constitutes 7 per cent of the total work force of the country. The working children mainly belong to the age group of 5-14 years. In India, more than 92% of the child workers are engaged in rural areas and slightly less than 8% in urban areas.

In India, children are employed in the field of agriculture, trade, plantations, and in factories also. In the rural areas, children are engaged as cultivators or agricultural labourers and in the urban areas, they are engaged in domestic and personal services, and certain industries hotels etc.

A large majority of children in India are employed in unorganized sector mainly due to legal restrictions against employing them in organized sector. Most of them work in small establishments of different types in marginal and low paid activities and/or are self employed, in small industries and cottage industries such as match manufacturing, bidi-making, carpet weaving, cashewnut processing, toy-making, employment of child workers continues. Child workers are found to be working in stone-polishing and fire-crackers industries also. Female child workers are on the increase in all over the country. The reason may be the tendency to keep boys out of work force and train them for better job and replace them by girls in family activities.

Studies in metropolitan cities reveal that most of these working children belonged to families of large size. Thus large size of family is one of the positive determinants of child labour. More than 2/3 rd of the working children were found to have been illiterate. The low level of literacy and poor educational status are likely to be due to negative attitude of the parents towards education of their children. Further, some studies indicate that migration to big cities as one of the important factors contributing to increase in child labour. A substantial number of migrants among child workers were engaged particularly in domestic services, tea-stalls and Dhabas.

11.5 WORKING CONDITIONS OF CHILD LABOUR

The working conditions are very unsatisfactory, especially in the unregulated factories, where they have to work in ill-ventilated ill-lighted, congested and positively dirty atmosphere. The child workers are not only openly abused, but many times even beaten by their employers.

Many children work for 8-10 hour per day with or without rest interval of half to one hour daily.
The wages of child workers are very low. The monthly wages paid to these children are as low as Rs. 25 and as high as Rs. 100.

Though there are about 13 major legislative enactments which provide legal protection to children against exploitation and prohibit the employers from employing them in occupations, which are detrimental to their physical, social, mental and moral development. But most of the employers do not know about these laws as no body from the government had come so far to visit them or inspect their work.

### 11.6 CAUSES OF EMPLOYMENT OF CHILDREN

The main causes are as follows:

(a) The low level of earnings of the adult worker.
(b) The absence in India of any state sponsored schemes of family allowance to enable poor parents to ensure their children the adequate and balanced diet and living conditions.
(c) The slow advance of protective labour legislation which has yet to cover the most important avenues of employment in the country.
(d) The evasion of the existing laws for the protection of children due to inadequacy of the inspection machinery evolved by the state, etc.

### 11.7 CONSEQUENCES OF CHILD LABOUR

Child Labour is a great social ill and a national waste as "the economic necessity for wage earning to support the family deprives the child of opportunity for education, play and recreation, stunts his physical growth, interferes with the normal development of his personality and thwarts his preparation for adult responsibility."

To the employer, child labour is profitable as the wages of children are small, their complains few and they accomplish in some industries and occupations as much as an adult. The employers, therefore, had no hesitation in exploiting the children in their interest without considering their needs for their healthy growth and development.

In fact, the problem of child labour involves various far-reaching socio-economic implications:

(1) The problem is directly related to the health of the children as it exerts a negative effect on it.
(2) Child labour gives birth to numerous economic problems such as the use of labour at its lowest productivity implying thereby an inefficient utilization of labour power.
(3) The practice of employing children permits unfair competition with adult labour with the result that there may be an extensive unemployment of the adults or the working conditions may be less satisfactory than they would otherwise have been there.

(4) Child labour tends to interfere with normal family life and encourage the breakdown of the social control which is largely depended upon to preserve the existing social order.

(5) The practice of employing children interferes with their education and minimizes the chance of their vocational training thereby hampering their intellectual development.

11.8 SUGGESTIONS TO SOLVE THE PROBLEM OF CHILD LABOUR

Historically, abolition of child labour was closely linked with the introduction of compulsory education. Free and compulsory primary education is necessary condition for the elimination of child labour. Priority should be given to schooling for any child.

Bonded labour must be freed at any cost. Street children can be dealt with in a better way by NGOs in terms of providing shelter, access to counselling, health services, non-formal education and so on.

Systematic check on any kind of child labour can make it possible to reduce the extent.

Government should assume its responsibility as the custodian of the nation by enforcing strictly the legislation to control the child labour. It should also assume its responsibility by providing allowance to the families in order to bring up the children. Government should extend facilities for education and health of the children, It should enable the adult workers of the family to earn a fair wage. Children should be educated regarding the loss of their future benefits and opportunities.

The employers/middleman employing children should be penalized and the fund collected should be used for rehabilitation of the children.

Incentives such as free text books and uniforms, scholarships and mid-day meals should be provided to encourage poor parents to send their children to school.

It is also necessary to enforce and periodically revise minimum wages.
Child labour should be stopped as such labour hinders education, increases opportunities for delinquent behaviour, makes for more industrial accidents and contributes to poor health.

The problem of child labour is not a problem in or by itself—it is a part of the larger problem of child welfare. Apart from being harmful for the development of the child, child labour hinders economic development and progress of the country. This problem should therefore be tackled in the long run by bringing about suitable changes in the economic and social structure of society.

### 11.9 INTERVENTION

**Government Participation against child labour:**

**Action required at the national level:**

Many state governments have left it to economic growth and legislation alone to provide the solution. Experience has shown however that unless specific measures are taken growth in itself rarely benefits the very poor and that legislation means little where it is not vigorously enforced. The problem of child labour will not be solved overnight. It one of the many facts of poverty and underdevelopment. Resources available to reduce its extent and damaging effects are by definition in India, which needs than the most. Priorities must therefore be set in.

**Child Labour (Prohibition and Regulation) Act:**

According to the Child Labour (Prohibition and Regulation) Act 1986, children are prohibited from working in quarrying and mining as these fall under hazardous industries. The employment of children in mining activities is illegal under the mining law. In spite of this children continue to be engaged in mining work from dawn to dusk in our country today (Hyden, 1997). The National Child Labours Programme is designed precisely to release and rehabilitate children who are under the purview of the Act. Nothing has been done so far on this score.

**No Effective Programmes without hard information:**

**Field Research** - in some cases, data collection systems on child labour is an essential first step.

**Raising Awareness** - A common attitude toward child labour in India is to accept it as an unavoidable consequence of poverty. Given the low quality and implied costs of the education services available to the poor, many parents having them worked as children tend to consider an early entry into the labour markets rather than schooling as the best way to equip their children with skills useful
for their future as adults. Experience clearly indicates that significant public pressure is required to make progress on the child labour issues politically possible.

As long as the general public, and in particular the middle and higher classes, consider that child labour is part of the harsh reality that makes good economic sense, the conditions for change will not be met.

Some types of action can be provided only by the central Government like child labour legislation and attendant enforcement mechanisms, the setting of publicly funded system of basic education that offers quality schooling for all, including the children of the poorest families.

NGO and Trade Union Civil Society And Legislation Participation Against Abuses Of Child Labour.

a) Trade Union Bring Abuses To Light :- Trade unions are the logical leaders for bringing child labour abuse to light. They are ideally placed to documents concrete cases of abusive child labour and to monitor the effectiveness of legal instrument and the performance of the labour in the child labour field. Employers and their organizations also have good reasons to be interested in the issue (Mav –Neef 1993).S

b) NGO's Participation Against Child Labour :- Like trade unions, NGO’s can help to discover and publicise specific cases of abusive child labour. They are addition especially good at devising implementing action programmes on behalf of children already in the labour market. Close to the children, they generally enjoy the trust of the local communities concerned and are well placed to appeal to their hearts and resources.

c) Participation of other civil society against child labour : - The participation of other segments of civil society, the media, universities, parliamentarians, teachers and educators should be enlisted in the light against child labour. All valuable allies and can cooperate in complementary ways.

d) Establishing the required institutional capacity :- To formulate and execute a national plan of action against child labour, institutional mechanisms must be established or strengthened within the government apparatus (Woolcock, and Narayan 2000). These can then be entrusted with the responsibility for setting priorities, coordinating the activities of the various ministries concerned, promoting private sector participation and for launching and supporting pilot schemes to find new ways of preventing child labour and of rehabilitating those who have been rescued from it.
e) Improving legislation and enforcement measures: A necessary first step to expanding protection under the law is to ensure that the main places where children work and the worst forms of child labour are encompassed by national legislation.

Improving Schooling for the poor:

The single most effective way to stem the flow of school age children into abusive forms of employment or work is to extend and improve schooling so that it will attract and retain them (Wratten 1995). Recent trends, however, leave little room for optimism in that regard. In the 1980’s and early 1990’s resources devoted to education have dwindled steadily.

Using Economic Incentives:

As poor families need the income deriving from the employment of their children it has often been considered appropriate to provide cash or in kind payments as replacement.

International debate over negative incentives:

The advisability of using negative economic incentives has been the subject of much recent public debate. In Europe several department stores have decided not to sell products such as carpets unless they are certified to be made without child labour. Such movements by consumers and manufactures alike have been accompanied by powerful efforts on the legislative and trade front as demonstrated rated by the not debate on the incorporation of a social clause into international trade agreements (Agarwal; 1992). The United States has introduced conditionality into its generalized system of preference as has the European union to promote among others better labour standards and thereby discourage the use of child labour. A Bill aiming at banning the import into the united states of goods produced by children (the bill) has generated concern among employers and government in countries heavily Dependent on the United states for their exports.

11.10 SUMMARY

In India, children are employed in the field of agriculture, trade, and plantations and in factories also. In the rural areas, children are engaged as cultivators or agricultural labourers and in the urban areas, they are engaged in domestic and personal services, and certain.

There is no doubt that initiatives of this kind have helped significantly to raise public awareness about child labour. However, they have also had unintended consequences. The mere threat led employers of various industries to abruptly dismiss thousands of
children. Today almost one half of the world’s population lives in cities. The world’s cities are growing by one million people each week.

Cities today play a significant role in development. They continue to attract migrants from rural areas because they enable people to advance socially and economically. Cities offer significant economies of scale in the provision of jobs, housing and services and are important centres of productivity and social development. However, the stress of this rapid urban population growth is often overwhelming. The long list of afflictions includes urban poverty rates of up to 60 per cent. Despite growth investments, more than one third of the urban population lives is substandard housing. Forty per cent of urban dwellers do not have access to safe drinking water or adequate sanitation. Primarily due to a rapid growth and a deteriorating urban environment at least 600 million people in human settlements (cities, towns and villages) already live in health and life threatening situations and almost 50 per cent of these are children. The high rate of urban population growth in most regions has led to common problems, congestion, lack of funds to provide basic services, a shortage of adequate housing and decline in infrastructure, to name a few.

11.11 CHECK YOUR PROGRAM

1) Explain child labour.
2) What are the causes and consequences of child labour?
3) Discuss the role of NGO’s and trade union to minimize the child labour,
4) Highlight working conditions of child labour in mining industry of urban area.

11.12 QUESTIONS

1) Discuss child labour and highlight the role of government & NGO’s to control child labour in India.
2) Explain child labour and suggest in your own words problems and solution of child labour.

11.13 REFERENCES


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12

MANAGEMENT – EMPLOYEE RELATIONS

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12.1 OBJECTIVES

1) To being among students regarding the meaning of term industrial relation division of labour and dispute in inducting.
2) To understand the complex situation in industry, huge number of workers, size of machines and indirect relationship.
3) To study the sale of machine responsible for binging alienation among worker and lack of satisfaction among them.

12.2 INTRODUCTION

When any organized work meant for the purpose of production brings people together, their relationship becomes prominent. Earlier work was done in very formal and personal manner e.g. in preindustrial society — the relationships with employers were direct and primary. Now with huge number of workers and size of machines, factors of production became complex and the relationships become quite complex, secondary and indirect. The workers find it difficult to contact the managers directly for their problems. There is need of some representatives who can express their grievances effectively and get their conflicts resolved.
Industrial work in contrast with the work in the preindustrial era, is characterized by some peculiarities. These are:

a) Industrial work is group work
b) It involves division of labour
c) Industrial work is carried on under the control and direction of the employer.
d) Lastly industrial work is wage work and the workers look upon their labour as a means to an end. It is said that the workers feel alienated from work because it ceases to be a source of satisfaction for them.

12.3 EVOLUTION OF INDUSTRIAL RELATIONS

In the production setting, the relationship between them and their employers was a relationship among unequals, which inevitably resulted in the exploitation of the weak by the strong. The workers individually could not protest the employers, and were therefore exploited; they were paid low wages and worked for long hours under miserable physical conditions of work. This exploitation sowed the seeds of dissatisfaction among workers and bred protest. Workers, therefore, got together and formed trade unions to mobilise their own power. Trade unions, therefore, emerged in the area of collective bargaining as organised bodies for the protection and furtherance of workers' interests.

The inherent inequalities between the contracting parties in the employment relationship have called for intervention by a third party i.e. the state or government to protect the interests of the weak. Legislations were made to protect the interest of workers.

The major participants in the field of industrial relations are, therefore, the workers and their organisations, the employers / managements and the employers' association, and the agencies of the government. They play their roles, act and inter-act and evolve a process whereby the rules to regulate employment relationships are formulated and administered.

12.3 DEFINITIONS

The term industrial relations refers to the complex of human relationships which emerge in -work situations. These situations bring people together for services which are bought and sold. In a work setting, those who offer their services are workers and those who utilize these are the employers. Between them there are interpersonal or individual relationships and also the relations between the two groups. Both are bound to each other due to economic interests. Industrial relations in any work situation go beyond these economic aspects and involve several elements of human relationships like cooperation, adjustment and
understanding. It is equally possible that these relationships may give rise to friction and conflict of interests.

**J. Henry Richardson** has put industrial relations in proper perspective' of human relations when he says **Industrial relations, is an art, the art of living together for purposes of production.** Both managers and workers come together for this common purpose and bind themselves to work together. For this they learn the "art of adjustment". This definition does not mention the institutional aspect of industrial relations i.e. government institution or system of regulation of mutual relations.

Industrial relations thus are the relationships established basically between the managers and workers or more appropriately the managers and the union of workers. Whenever any problem arises, both the groups sit together and discuss about them. Workers, in any case are weak and they submit themselves to the authority of the employers. **Dale Yoder** defines industrial relations as the process of dealing with the problems which arise in the context of human relationships. Thus when both the groups work together for the purpose of production, harmony and peace prevail but if there is friction or conflict, dissatisfaction develops. Workers have many problems — like irregular payment of salaries, unhygienic working conditions, absence of safety at work, problems of shift etc. They like to solve these issues by talking to the authorities but since the management does not have time to talk to individuals, union representatives of the workers talk to the management. These processes of talk or discussion are collectively called industrial relations. **Encyclopaedia Britanica** emphasizes the joint consultation apart from the individual and collective relations.

"**The subject of industrial relations therefore include individual relations and consultation between employers and their organisation and the trade unions and the part played by the State in regulating the relations**". The definition has added one more dimension of joint consultation to the subject of industrial relations.

**Features of industrial relations :**
1. The employment relationship in any work situation provides the setting for industrial relations. The workers sell their labour for which wages are paid by the employers. Industrial relations are essentially human relations between workers and employers.

2. Industrial relations may be direct between workers and employers individually or institutionalised when the parties to industrial relations are represented in their collective relationship by trade unions for workers and by association for employers/managers.
3. As a regulated relationship, the focus of industrial relation is on rule-making by the participants so that there may be uninterrupted production.

4. In the context of the setting of human relationship the "work situation may provide different possibilities in industrial relations of adjustment and cooperation and of friction and conflict between the groups i.e. the workers and employers.

5. Industrial peace and the welfare of the community are the main consideration therefore the State government also intervenes to influence and regulate industrial relation.

J. T. Dunlop views IR as the "complex of interrelations among managers, workers and agencies of the government Even ILO has also shaped and developed the pattern of industrial relations in several countries.

**Basic elements of the system:** According to Dunlop, there are:

a) **Actors**: (i) workers and their organisations, (ii) managers and their organisation, (iii) governmental agencies concerned with the work place and the work community.

b) **Context**: The actors in an industrial relations system are regarded as dealing with each other in environmental context made up of such factors as technology, market constraints, power relations.

c) **Ideologies**: Ideologies are a set of ideas and beliefs commonly held by the actors and help to bind or integrate the system together as an entity.

d) **Rules**: A body of rules framed to govern the actors at the work place. These rules may take a variety of forms in different systems e.g. agreements, statutes orders, regulations awards, practices and customs.

**Characteristics of Industrial Relation**

Characteristics of IR include:

1. Industrial relations are outcome of employment relationship in an i. Industrial relations develop the skills and methods of adjusting to and cooperate with each other. 5. Industrial relations system creates complex rules and regulations to maintain harmonious relations.

4. The government is involved to shape the industrial relations through laws, rules, agreements award etc.
5. The important actors of industrial relations are employees and their organisations, employer and their associations and government.

Three Participants of Industrial Relations
There are three main participants or actors of industrial relations:

1. Workers and their organisation
The total worker plays an important role in industrial relations. The total worker includes working age, educational background, family background, psychological factors, social background, culture, skills, attitude towards others work etc. Workers’ organisations are called trade unions. They play very important role in industrial relations. The main purpose of trade unions is to protect the workers’ economic interests through collective bargaining and by bringing pressure on management through economic and political tactics. Trade unions must have influential and powerful leaders, strong fund and continuous activities.

Unions have a crucial role to play in industrial relations. Union have broad objectives which are

a) To redress the bargaining advantage of the individual worker vis-a-vis the individual employer, by substituting joint or collective action for individual action.

b) To secure improved terms and conditions of employment for their members and the maximum degree of security to enjoy these terms and conditions.

c) To obtain improved status for the worker in his work.

d) To increase the extent to which unions can exercise democratic control over decisions that affect their interests by power sharing at the national corporate and plant level.

2. Employers and their organisations
The employer is a crucial actor in industrial relations. He employs the worker, pays the wages and various allowances, regulates the working relations through various rules and regulations and by enforcing labour laws. He expects the worker to follow the rules, regulations and laws. He further expects them to contribute their resources to the maximum. The gap between the expectations of the employers and demands of the workers create conflicts. Though employers are more powerful, they have to accept the demands of trade unions because they have the support of larger number of workers. Employers also form their organisations to fight equally.
Managers and their organisations: In general, managers tend to see employee relations in terms of the following activities:

i) Creating and maintaining employee motivation
ii) Obtaining commitment from the workforce.
iii) Establishing mutually beneficial channels of communication throughout the organisation.
iv) Achieving high level of efficiency.
v) Negotiating terms and conditions of employment with employee representatives.
v) Sharing decision making with employees.
vii) Engaging in a power structure with trade unions.

3. Government

Government plays a balancing role as the custodian of the nation. Government exerts its influence on industrial relations through its labour policy, industrial relations policy, implementing labour laws, the process of conciliation and adjudication, by playing the role of a mediator. It tries to regulate the activities and behaviour of both employees' organisations and employers' organisations. Here the emphasis is on the role and responsibilities of governmental agencies, the extent of official intervention, assistance and regulation of working condition and working committees.

12.5 MANAGING INDUSTRIAL RELATION TRADE UNION AND THEIR ROLE TRADITIONAL APPROACH.

Definition: According to Webbs, a trade union is a conscious association of wage earners for the purpose of maintaining and improving the conditions of their working lives. Under the Trade Union Act of 1926, the term is defined as any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workers and employers, or for imposing restrictive conditions on the conduct of any trade or business and includes any federation of two or more unions: We will discuss the definition in little more detail:

1. Trade union is an association either of employees or employers or of independent workers.

2. It is a relatively permanent formation of workers. It is not a temporary or casual combination of workers.

3. It is formed for securing certain economic (like better wages, better working and living conditions), social (such as educational recreational, medical, respect for individual) benefits to members. Collective strength offers a sort of insurance cover to members to fight against irrational arbitrary and illegal actions.
of employers. Members can share their feelings, exchange notes and fight the employer quite effectively whenever he goes off the track. process or their implementation. In the case of unorganised sector, the trade union plays a crucial role in bargaining the pay scales.

b) Working conditions : Trade unions, in order to protect the health of workers demand to provide all the basic facilities such as lighting and ventilation, sanitation, rest room, safety equipment while discharging hazardous duties, water facilities, minimum working hours, leave and rest, holidays with pay, job satisfaction, social security benefits and other welfare measures.

c) Discipline : Trade unions also protect the workers from the irrational actions of management. Actions like illegal transfers, suspensions, dismissals by the management lead the union to notify the management and also to fight it for justice. The union can also go to the court.

d) Personnel policies : Trade unions may fight against improper implementation of personnel policies with respect to recruitment, selection, promotions transfer training etc.

e) Welfare : Trade unions also work as a guide, consulting authority and cooperate in overcoming the personnel problems of workers. It may bring to the notice of management, through collective bargaining meetings, the difficulties of workers in respect of sanitation hospitals houses, schools and colleges for their children's cultural and social problems.

f) Employee — Employer relationship : Though trade unions strive to achieve industrial peace, the bureaucratic thinking and unilateral thinking of management may lead to conflicts in the organisation which ultimately disrupt the relations between the management and workers. The union may carry out continuous negotiations with the management in the interest of workers.

g) Negotiating machinery : Trade unions follow the principle of 'give and take' while negotiating with the management. They tend to protect the interests of the workers through collective interests. Thus the union works as the negotiating machinery.

h) Safeguarding organisational health and the interest of the industry : Trade unions try to bring employee satisfaction. Through this, the extent of absenteeism and labour turnover can be reduced. And also by developing systematic grievance settlement procedures try to achieve harmonious relations. Trade unions can thus contribute to the improvement in level of production and productivity, discipline and improve quality of work life.
12.5 FUNCTIONS & PROBLEMS OF TRADE UNIONS

The functions of trade unions can be divided into the following categories viz.

a) Militant or protective or intra mural functions: These functions include protecting the workers’ interests i.e. rise in wages, providing more benefits, job security "etc, through collective bargaining and direct action such as strikes, gheraos etc.

b) Fraternal or extra mural functions: The unions provide financial or non-financial assistance to workers during the periods of strikes and lockouts, extension of medical facilities during sickness, provision of education, recreation, and housing facilities, provision of social and religious benefits etc.

c) Political function: Unions also help political parties to enroll members, collecting donations, seeking the help of political parties during the periods of strikes and lockouts.

d) Social functions: Union also carry out certain social service activities, discharging social responsibilities like educating the workers. Status of a registered union

A trade union enjoys the following advantages after registration:
- It becomes a body corporate
- It gets a common seal
- It can buy and hold movable and immovable property
- It can enter into contracts with others
- It can sue and be sued in its name.

Problems of trade unions: The unions face a number of problems such as multiple unionism, trade union leaderships low membership, less fund, union rivalry.

1. Multiple unionism
Multiple unionism both at the plant and industry level pose a serious threat to industrial peace and harmony in India. More than one union works at the level of plant or industry; as a result there are 3-4 unions working at the same time. There is also the problem of their recognition by the management. Further there is rivalry among them. Each likes to have maximum membership. Thus workers get divided and their strength as negotiating machinery gets weakened.

2. Union rivalry
Since by law any seven or more members can form a union, there are a number of unions existing at the level of industry. The inter union rivalry breaks the very purpose of trade union by weakening the strength of collective bargaining. On the other hand, the existence of a single, strong union not only protects the employee
interests more effectively but also halts the unproductive activities and forces the leaders to concentrate only on the strategic issues.

3. Finance
As the membership is low due to lack of interest and awareness among the -workers the fund is also inadequate. The union cannot undertake many welfare activities, nor it can go to court to fight the cases as the fund does not permit.

4. Outside leadership
This is one of the main problems. Leadership must be very effective. The leader must know all the rules, labour laws finance and be able to deal with many issues. Since the workers cannot find among themselves any suitable leadership, they have to look beyond their group. The leadership of most of the trade unions has been outside leadership drawn from political parties. Most leaders were influential political persons for example Jay Pfakash Narain, V. V Giri, George Ferdandes etc. But these outside leaders do not know much about the individual unions problems, and can not take sufficient interest in the activities. Further they have less time to devote and give more weightage to their own personal benefits. Workers must be better educated, confident enough to talk to the management, must have knowledge about labour laws and command over English. They must choose their leaders from among themselves.

Other problems : The other factors responsible for the unsound functioning of trade unions in India are

a) Illiteracy, ignorance among the workers
b) Uneven growth — urban areas are more active and rural areas get very low attention. Only in major industries unions are active.

c) Low membership. The members have many other problems to solve. They do not show much zeal or enthusiasm to become and maintain their membership with the union.

d) Heterogeneous nature of labour. The workers belong to different culture and this diversity does not allow them to come together and increase unity.

e) Absence of paid office bearers — weak finances do not permit unions to engage the services of full time paid office bearers.

Trade unions of today have a very vital role to play, not only for protecting the interests of the -workers but to guard the interests of the country as a whole at the macro level and the interests of the organisation which they work for at the micro level. They have to shift their agitation to administration, aggression to aggregation (increase in number), from reaction to constructive action (positive attitude), and from obstruction to cooperation.
Trade unions can bring spectacular changes in the attitude and approaches to the working class. Indian workers could attain unity, self confidence and self-respect in the past, for which the credit mainly goes to the trade unions.

Undoubtedly, trade unions are necessary to safeguard the interests of workers and to protect them from all sorts of exploitation. In an organisation with NRN outlook, responsible trade unions can effectively work for:

a) Attaining justice and equality for the people at work.
b) Providing support, assistance and self-confidence to workers.
c) Increasing the resistance power and collective strength of workers.
d) Protecting the workers against victimisation and injustice of the employers.
e) Instilling a sense of belonging to the organisation in the minds of workers.
g) Increasing more workers' participation in management, decision-making processes through quality circles, QWL programmes, work committees.
h) Maintaining peace and harmony in industry and a cordial organisational climate and an active work culture in the organisation. **Collective Bargaining**

Effective collective bargaining is a tool for preventing industrial disputes. Collective bargaining is the process of negotiating between management and workers represented by their representatives. This process determines mutually agreed terms and conditions of work which protect the interests of both workers and the management. It provides scope for mutual understanding and relations between workers and management without sacrificing the interest of any of them. In the words of Dale Yoder, therefore collective bargaining is "an essentially a process in which employees act as a group in seeking to shape conditions and relationships in their employment". Representatives of trade unions and management are directly involved in collective bargaining.

Collective agreements are bound to be the results of collective bargaining, safeguarding the interests of both workers and management. Reynolds has rightly pointed out the process. "Trade Unions try to advance the interests of their members mainly by negotiating agreements usually termed **union contracts or collective agreements** with employers. The process by which these agreements are negotiated, administered and enforced are included in the term "collective bargaining".

Thus **collective bargaining** is the process of meeting, presenting demands, discussing, negotiating, offers and counter offers, haggling, cajoling and a number of other activities leading to
Collective agreements. It must be a continuous process in the interest of organisational peace and harmony.

12. 6 CONCEPT OF COLLECTIVE BARGAINING

Collective bargaining is a procedure by which the terms and conditions of workers are regulated by agreements between their bargaining agents and employers. The basic objective of collective bargaining is to arrive at an agreement on wages and other conditions of employment. Both the employer and the employees may begin the process with divergent views but ultimately try to reach a compromise, making some sacrifices. As soon as a compromise is reached, the terms of agreement are put into operation.

The underlying idea of collective bargaining is that the employer and employee relations should not be decided unilaterally or without the intervention of any third party. Both parties must reconcile their differences voluntarily through negotiations yielding some concessions and making sacrifices in the process. Both should bargain from a position of strength, there should be no attempt to exploit the weaknesses or vulnerability of other party. With the emergence of employers' association and trade unions all over the world, both the parties have realised the importance of peaceful coexistence for their mutual benefit and continued progress.

The features of collective bargaining are:

1. It is a collective action which is based on mutual respect, tolerance and keeping contacts;
2. It is a continuous process; negotiations are its beginning;
3. It is not a one-sided business; the interest of both the parties are taken into consideration;
4. It makes industrial democracy to work effectively;
5. It is not static, but dynamic;
6. It takes into account the day to day changes in policies, potentialities, capacities and interests;
7. It is accommodative since it accepts the views and interests of all parties concerned;
8. It is flexible since it provides scope for improvement from time to time.

Failure of collective bargaining leads to disputes and direct actions like strike and lockout, while successful collective bargaining helps to prevent industrial disputes and illegal actions. Some trade unions call on strikes without resorting to collective bargaining. Briefly, it is obvious that an effective collective bargaining helps to avert many untoward situations of industrial strife.

12.7 PREREQUISITES OF COLLECTIVE BARGAINING
According to Alan Flanders, there are certain prerequisites or conditions which must be satisfied before collective bargaining can survive as a viable process; these are:

a) The parties must attain a sufficient degree of organisation;

b) Mutual recognition — the parties must be ready to enter into agreements with each other;

c) The agreements must generally be observed and implemented by those to whom they are applied. What it docs?

Collective bargaining brings the employer and the employees around one table to discuss and settle many important issues effectively. It enables both the parties to know each other and their views, and to define their rights and obligations regarding terms of employment, working conditions etc. through negotiations, discussions and bargains. As ILO remarked — collective bargaining enables to conduct negotiations about working conditions and terms of employment between an employer and a group of employees or one or more employees' organisation. With a view to reaching an agreement wherein the terms serve as a code of defining rights and obligations.

**Functions of Collective Bargaining**

1. Effective collective bargaining contributes to solve important problems of labour management relations at the enterprise and industry levels.

2. It enables the parties to arrive at a joint compromise on common problems. Management may lose their unilateral discretion on essential issues that affect the workers and can take the workers into confidence.

3. Effective collective bargaining facilitates cordiality between the workers and management. It removes irritants. As ILO has said — collective agreements provide the climate for smooth progress.

4. Collective bargaining leads to collective agreements which enable both managements and trade unions to imbibe a give and take policy, a spirit of cooperation and mutual trust. It also leads to recognition and acceptance which are essential for effective industrial democracy.

5. The recognition of a trade union as a powerful collective bargaining agent in order to promote industrial peace, leads to the formation of many unions which try to protect the rights of workers.

**12.8 THE PROCESS OF COLLECTIVE BARGAINING OR METHOD FOR SETTING INDUSTRIAL DISPUTE**

The whole process of collective bargaining takes place mainly in two " stages:
1. Negotiations and
2. Implementation
3. Workers participation in Management
4. Joint Management Count

The following steps are involved in any collective bargaining process:

**A. Identification of the problem**
The nature of the problem influences the whole process. If the problem is very urgent, it needs discussion immediately or it can wait. The nature of the problem influences the selection of representatives, their size, period of negotiation, and period of agreement that is reached ultimately.

**B. Preparing for negotiation**
When it becomes necessary to solve the problem through the collective bargaining process, both parties prepare themselves for negotiations. The preparation starts with the selection of representatives, normally those with patience and ability to present themselves effectively. After selection, they should be educated about the complete problem. Their powers and authority during negotiation should be clearly spelt out.

**C. Negotiation of agreement**
The chief negotiator normally from the management side directs the process. He presents the problem, its intensity, nature, and views of both the parties. Then he/she allows both parties to present their views. During negotiation, the representatives should be attentive to find out what the other party is arguing for. If both the parties have a positive attitude, the solution can be worked out easily.

**D. Implementation of contract**
The agreement can be made on a temporary basis. In such cases, before its expiry, both parties consult each other and can terminate or renew the agreement depending upon the circumstances.

**Collective Bargaining in India**
The story of collective bargaining is the story of the rise and growth of trade unionism itself. It had its roots in Great Britain and developed in response to conditions created by the Industrial Revolution. In early part of the 19th century when trade unions came into existence, the idea of bargaining collectively gained strength. Initially, the negotiations were carried out at plant level. By early 1900, industry and national level agreements were quite common. Slowly but steadily, the idea spread to France, Germany, USA. After a century of rapid growth, collective bargaining has more or less become the gospel of industrial relations. People regarded it as a social instrument to solve industrial conflict. In other words, it is through the process of collective bargaining that organisations can cope with industrial disputes.
In India, trade unions have come to occupy the central stage only after 1900. In 1918, Gandhiji as the leader of the Ahmedabad Textile workers' advocated the resolution of conflict through collective bargaining agreements. For another 10 years, this method was not popular. The legal measures adopted by the government included the setting up of a machinery for negotiations, conciliation and arbitration which made collective bargaining interesting again. Basic conflicting issues concerning wages and conditions of work were thought to be resolved through voluntary means.

As trade unionism developed after Independence, collective bargaining agreement have become popular. A large majority of disputes were resolved through this mechanism. Most agreements were concluded at the plant level. In centres like Mumbai, Ahmedabad industry level agreements were quite common — thanks to the legal support given by the State Acts. The agreements were found in industries such as chemicals, petroleum, tea, coal, oil aluminium etc. In ports and docks, banking and insurance collective agreements at the national level were also arrived at.

**Changing Scenairo**

In most of the industrialised economies centralised agreements have been replaced by local agreements. In India also the role of national level federation of unions and employers' organisation is limited in collective bargaining. Strictly speaking, the process is centred around a few employers' associations and trade unions. For example, the Confederation of Indian Industry till the early 90s represented the claims of member employers from the Engineering Industry. In traditional industries such as Jute the entrepreneurs themselves conduct the negotiations with unions. In places like Bangalore and Hyderabad unions and employers have preferred to set up joint coordination committees to deal with collective bargaining. In sectors like coal, steel, ports and docks such coordination committees are quite common while carrying out the nation-cum-industry-wide bargaining. As far as steel industry is concerned there are 240 trade unions organised into several trade union federations within the public sector, Steel Authority of India Ltd. (SAIL). Every 3 or 4 years the National Joint Consultative forum for Steel Industry (NJS) enters into agreement (so far 5 such agreements were concluded since early 70s) on behalf of SAIL, Rashtriya Ispat Nigam (Vishakhapatnam) and TISCO (which have only one trade union). A plant level agreement supplements the above national agreements to cover those unique aspects concerning the plants which were not covered at the national level. Public sector collective bargaining in India refers to collective bargaining in industrial and commercial undertakings owned by Central and State Governments including those in finance and banking sector. Employees in department undertakings (Railways,
Post and Telegraphs etc.) are governed by pay commission awards. The average wages and benefits bargained at the national level for lower level public sector employees were found to be higher when compared to the employees in organised private sector.

In some sectors (medicine, sugar etc.) the wage boards still decide the wages and working conditions. In the cement industry arbitration has replaced collective bargaining over wage related issues.

There are interesting contradictions in the collective bargaining scene in India. Over 80 different unions may represent a single firm. Some large multi-plant firms such as BHEL SAIL and departmental undertakings such as Railways have to live with over 100 unions each.

The bargaining process in public sector especially has become quite coercive and demanding so as to appease the claims of different sections of workers having ties with different unions. Due to recession, computerisation cut throat competition many large firms have resorted to productivity bargaining to a limited extent and unions had to yield ground due to their own helplessness in fighting till the end in a fruitless battle. Some of the drastic measures mutually agreed as essential for survival in recession hit companies (Jaipur Metal and Electricals Ltd., Kamani Tubes, Kirloskar Oil Engines, Bata India Ltd., Philips, Walchandnagar Industries, Metal Box etc.) included:

1. Cut in pay and allowances
2. Layoff retrenchment
3. Early retirement
4. Change in work norms
5. Retraining, relocating etc.

In future, trade unions and management may have to be guided by market forces (survival of the fittest, cost effective global manufacturing, high tech high quality service-oriented approach, customer centred marketing and manufacturing process) while sharing the gains from industry. Political, ideological concerns may have to take the back seat. The full potential and gravity of technology led growth needs to be appreciated by both management and labour while they try to draw concessions from each other at the negotiating table. Obviously collective bargaining has become a herculean task. Most prominent among the issues are wages, DA, retirement benefits, bonus, annual leave, paid holidays, casual leave and so on. Concession bargaining may rule the scene till industry gains stature and status in the global market place. In India collective bargaining has not been very successful for various reasons. These are:

1. **Employers' reluctance**
Employers have failed to read the writing on the wall. They do not appreciate the fact that unions are also equally strong. Such negative attitudes hindered voluntary negotiations.

2. Weak Unions
Union membership is very low in India, just 10% of total work force is unionised. The trade union membership rarely includes a majority of workers. In addition to poor membership figures, unions have to live with poor finances as well. To complicate matters further there are multiple unions with multifarious political affiliations. All these factors have cumulatively reduced the bargaining strength of unions in India.

3. Inadequate intervention or support
The regulatory frame-work covering the industrial relations scene is quite tight, leaving very little room for bargaining to flourish on a voluntary basis. In case there is a war of nerves between management and workers (as in case with Philips, and Bata in West Bengal) government steps in to resolve the issuers. But it did not help much. The legislative means offered through conciliation or adjudication did not help matters either. The absence of appropriate legislative provisions recognising a bargaining agent has added fuel to the fire on a number of occasions. No attempt has been made by the government to rationalise or simplify the multifarious laws covering labour management relations even after half a century of inactivity.

The areas of collective bargaining have not grown much due to the encouragement given to the wage boards, pay commissions, statutory fixation of other conditions of work and social security measures.

3) Workers Participation in Management
The concept of *workers' participation in management* is considered as a mechanism where *workers have a say in the decision-making process of an enterprise.*

**Definition**: The concept of *workers' participation in management* develops the element of industrial democracy and indicates an attempt on the part of an employer to build his employees into a team which work towards the realisation of a common objective. International Institution of Labour studies has defined the term — "The participation results from practices which increase the scope of the employee’s share of influence in decision-making at different tiers of the organisational hierarchy -with concomitant assumption of responsibility".

This definition has raised certain points:
1. The participation has to be at different levels of management at the shop floor level; at the department level, and at the top level.
The decision-making at these different levels assumes different patterns concerning policy formulation and execution.

2. Together with the influence exercised over decision-making, participation underscores the willing acceptance of responsibilities by the body of workers. As participants-workers have to be more committed.

3. Workers' association become more responsible to participate in decision-making process.

According to Pavis: "It is a mental and emotional involvement of a person in a group situation which encourages him to contribute to goals and share responsibilities in them".

Within the orbit of this definition a continuum of men management relationship can be conceived:

Workers' control ——> Joint Management ——> Joint Consultation.
Work Place Consultation ——> Management Supremacy.

**Objectives** of workers' participation in Management

The main objectives of workers' participation in management include:

1. To promote increased productivity for the advantage of the organisation, workers and society at large;
2. To provide a better understanding to employees about their role and positions in the process of attainment of organisational goals;
3. To satisfy the-workers' social and esteem needs; and
4. To strengthen labour management cooperation and thus maintaining industrial peace and harmony.
5. To develop social education for effective solidarity among the working community and for tapping latent human resources.
6. An ideological point of view to develop self management in industry.
7. An instrument for improving efficiency of the company and establishing harmonious industrial relations.
8. To build the most dynamic human resource.
9. To build the nation through entrepreneurship and economic development.

**Forms of WPM (Workers Participation in Management)**

The forms of WPM vary from industry to industry and from country to country. The important terms are:

1. Labour Management Consultation and Cooperation
2. Joint Consultation and Model of Participation (U.K) 3- Union Management Cooperation (USA)
3. Codetermination Scheme (W. Germany)
4. Joint Management Plan
6. Joint Decision Making Model
7. Self management or Auto management Scheme

Important forms include:

i) Work Committees;
ii) Joint Management Councils;
iii) Joint Councils;
iv) Shop Councils; and
v) Unit Councils

Work Committees: The Industrial Disputes Act, 1949 provides for the setting up of work committees as a scheme of workers participation in management which consist of representatives of employers and employees. The Act provides for these bodies in every undertaking employing 100 or more workmen. The aim is to promote harmonious relations in the work place and to sort out differences. The Bombay Industrial Relations Act, 1946 also provide for these bodies, but under the provisions of this Act they can be set up only in units which have a recognised union and they are called joint committees.

Functions

These are consultative bodies. Their functions include discussion of conditions of work like lighting, ventilation, temperature, sanitation etc, amenities like water supply for drinking purposes, provision of canteens, medical services, safe working conditions administration of welfare funds, educational and recreational activities and encouragement of thrift and savings. The committees are to reconcile any material difference of opinion between the management and workers over these matters.

Structure

The work committees have as office bearers a President, a Vice President, a Secretary and a Joint Secretary. The President is a nominee of the employer and the Vice President is the -workers' representative. The tenure of these bodies is two years. The total strength of these bodies should not exceed 20. The employees representatives have to be chosen by the employees.

Such committees have functioned actively in some organisations like Tata Iron and Steel Company, Indian Aluminium Works at Belur and Hindustan Lever. In all these, the managements have evolved joint committees independently of the statutory requirements.

4) Joint Management Councils (JMCs) : The second five year plan recommended the setting up of joint councils of management consisting of representatives of workers and management. The Government of India made the following recommendations on the basis of the survey of a study group in abroad:
a) That workers' participation in management schemes should be set up in selected undertakings on a voluntary basis.
b) A subcommittee consisting of representative of employers, workers and government should be set up to consider the details of WPM schemes.

**Objectives:**
The objectives of joint management councils include: To increase the association of employers and employees thereby promoting cordial industrial relations
ii) To improve the operational efficiency of the workers, iii) To provide welfare facilities to them iv) To educate workers so that they are well equipped to participate in these schemes.
v) To satisfy the psychological needs of workers.
Since 1975 Joint Councils and Shop Councils were also set up in different organisations to ensure proper participation of workers in management.

1. **Joint Councils**
Joint councils are for the whole unit and its membership remains confined to those who are actually engaged in the organisation. Both management and workers choose their representatives as Chairman and Vice Chairman. The council meets once in four months.

2. **Shop Council**
The shop council represents each department or a shop in a unit. Each shop council will consist of an equal number of representatives of employers and employees. The employers' representative nominated by the management must belong to the unit concerned. The workers' representative will be from among the workers of the department or shop concerned. The number of members of each council may be determined by the employers in consultation with the recognised union. The number should not exceed in general 12.

The decisions of shop councils are to be taken on the basis of consensus but not by voting. Management has to implement the decisions within one month. The tenure of the shop council is two years. Members meet once a month. Management nominate the chairman while workers nominate the vice chairman of the council. The participation has not been found very effective at any level. The reasons for the limited success are:

a) Due to the inherent conflicts between employees and management.
b) The general belief that the workers are inferior to management.
c) The fact that the system is management dominated and
d) The view that managers are averse to share responsibility
Suggestions
The following are the prerequisites for the successful functioning of the schemes of workers' participation in management. Managements, trade unions and the workers should be concerned with these prerequisites.

1. There should be mutual trust or faith among all the parties concerned.
2. There should be strong democratic and representative union which should represent the cause of workers without neglecting the management's interest.
3. There should be closely and mutually formulated objectives for participation by trade unions and management.
4. All parties concerned, should feel that they are participating at all levels.
5. Both the parties should develop a favourable attitude towards the schemes of participative management.
6. Management and Government should provide training to all the parties concerned to prepare them for participative management.
7. Both the parties should be conscious of the benefits of the scheme.

12.9 SUMMARY

Industrial relations mean relations between management and workers. In India, this is a tripartite relation i.e. State or government also interferes in the mutual discussion between the management and workers. It is necessary to protect the weak. Collective bargaining is the main function of trade unions. Through this process the workers' interests are maintained and protected.
WPM is a new concept to include workers' involvement in top decision making process. This no doubt increases the productivity and cordiality in mutual relations. But so far this has not been very successful in India.

12.10 Check your progress

1) Explain industrial relation.
2) What are the functions of I.R.
3) Highlight inductance of trade union in India.
4) State features of collective bargaining.

12.11 REFERENCES


12.12 QUESTIONS

1) Discuss the meaning and importance of Industrial Relations. Also explain briefly the role of three actors of Industrial Relations.

2) What do you mean by the concept Industrial Relations? Give its characteristics, importance and objectives. Also discuss the role of various actors in this system.

3) What is collective bargaining? Define and explain its various features. Give the functions and explain its process.

4) Define collective bargaining. Discuss the different types of collective bargaining and its current trends in India.

5) Define the term workers participation in management. Explain the objectives of workers’ participation in management.

6) What are the various forms of WPM. Explain their objectives and functions?

7) What are quality circles? Discuss their importance and functions.

8) Write short notes on:
   a) Trade unions and their role
   b) Types of collective bargaining
   c) Quality circles
   d) WPM

   a) Define and explain the concept of Industrial relations. Discuss in this regard the role of various actors with special reference to trade unions.

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13.0 Contents
13.1 Objectives
13.2 Introduction
13.3 Definition of Human Resource (HRM) Management
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13.1 OBJECTIVES

1) Aim is to being awareness among students regarding meaning, need characteristics of human resource management.
2) To understand HRM as a structure in which employees of an industry work in a planned way.
3) To study the Human Resource Management as an approach to develop harmonious relationship between worker and management.

13.2 INTRODUCTION

Human Resources Management

Human resources in any organization are very essential. It is the people who utilize the material and financial resources in a manner which would lead the organization to success. Without human elements successfully handled, it is impossible to achieve organizational objectives.

Obviously, human resources need to be understood in their proper perspective.
13.3 DEFINITION OF HUMANS RESOURCE MANAGEMENT

Human resources can be defined as: from the national point of view, the knowledge, skills, creative abilities, talents and aptitudes obtained in the population; whereas from the viewpoint of individual enterprise, they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes of its employees.

Michael Jucius calls these resources "human factors", which refer to "a whole consisting of interrelated, inter-dependent and interacting physiological, psychological, sociological and ethical components.

Human resource development taps and utilizes these skills, knowledge, abilities etc. to the best of the organization. Human factor is the most important element. Every individual working in the organization has his own set of complex needs, values and intentions. Each individual is unique with his own physical and psychological traits. Each one differs from the other in his behaviour, habits, needs, drives, goals, past experience, future expectations etc. No two human beings are similar in mental abilities; traditions, sentiments, action, tendencies and performance. They are also subject to varied influences like family relationships, religious experiences, caste backgrounds, educational achievements and many other environmental influences which affect their performances.

In simple terms, human resource development is the task of dealing with human relationships, moulding and developing the behaviour and attitudes towards the organizational requirements. If human factor is properly utilised, it may even prove a dynamic motive force for running an organisation.

People at work are responsive; they feel, think and act. Therefore, they cannot be operated like a machine. People are moved primarily by sentiments and emotions including the primary desire to gain acceptance and affection from fellow human beings. Moved by emotions, aspirations, ambitions, desires, prejudices, suspicions, frustrations, irritations, likes and dislikes, hopes and fears etc, people form beliefs of their environment - whether rational or not - but they react to it in terms of their beliefs. Therefore management is responsible for a tactful handling of human, elements.

What is personnel management? (or) Human Resource Development (HRD)?
HRM or personnel management or Human Resource development can be seen as that part of management task which is concerned with the human resources of the organization and their contribution to its effectiveness.

The institute of personnel management in U. K. says that personnel management is that part of the management process which is concerned with--

(1) Recruiting and selecting people; (2) training and developing them for their work; (3) ensuring that their payment and conditions of employment are appropriate, (4) where necessary, negotiating such terms of employment with trade unions, (5) advising on healthy and good working conditions and the organization of people at work and (6) the encouragement of relations between management and work people.

### 13.4 DEFINITION, OFF PERSONNEL MANAGEMENT / HUMAN RESOURCE MANAGEMENT

Michael J. Jucius called the personnel management as 'the field of management which has to do with planning, organizing, directing, controlling various operative functions of procuring, developing, maintaining and utilising a labour force in order to

- a) attain economic and social objectives of the organization.
- b) satisfaction of needs of people in the organization.
- c) consider and achieve the objectives of the community.

Thus, this definition tries to co-ordinate the objectives of the company, objectives of the people and the objectives of the society.

Edwin B. Flippo offers a more comprehensive definition as follows:

Personnel management is the planning, organizing, directing and controlling of the procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual organizational and societal objectives are accomplished. This definition covers both the management functions and the operative functions. The purpose of all these functions is to assist the accomplishment of basic organizational individual and societal goals.

In other words, human resource development is the process of improving moulding and changing the skills, knowledge, creative abilities, aptitude, attitude, values, commitments based on present and future job and organizational requirements. This functions includes: (a) performance appraisal (b) training (c) management development (d) career planning and development.
Obviously, Human Resource Development refers to a set of programmes, functions and activities designed and carried out in a way that maximize both employee as well as organizational effectiveness.

Nadleir defines Human Resource Development as "an organized learning experience within a given period of time with the objective of producing the possibility of performance change".

Lippit points out that Human Resource Development as a system depends on (a) the work itself which generates a higher degree of responsibility for the employees (b) the individual's personal and professional growth (c) the improved quality output as a result of increased responsibility and (d) the organization as an open system. Focus on all these aspects is what Human Resource Development is all about.

Rao (1985) defines Human Resource Development as a process by which the employees of an organization are helped in a continuous planned way to: (a) acquire or sharpen capabilities required to perform various tasks and functions associated with their present or expected future roles; (b) develop their general capabilities as individuals so that they are able to discover and exploit their own inner potentials for their own and for organizational purposes and (c) develop an organizational culture where superior subordinate relationship, teamwork and collaboration among different subunits are strong and contribute to the organizational health, dynamism and pride of employees.

13.5 CONCEPT OF HUMAN RESOURCE MANAGEMENT

It is necessary to understand the characteristic features of Human Resource Development as a field of management. Various definitions of Human Resource Development tell us:

a) HRM / Human Resource Development is a functional area of General management; it is a management of people at work.

b) Human Resource Development is concerned with the effective utilization of human resources.

c) Human Resource Development considers the development of individuals at work, as an individual and as a member of the group.

d) Human Resource Development is concerned with the achievement of common goals as well as integration of individual efforts with the common goals.
e) Human Resource Development is concerned with helping the people at work to develop their potential and capacities to the maximum possible extent, so that they may derive great and maximum satisfaction from their job.

f) Human Resource Development is a staff activity requiring special knowledge and skill in understanding and predicting individual behaviour, interpersonal behaviour, group behaviour and organizational behaviour.

g) Human Resource Development has the central responsibility of organizing human effort and stimulating and releasing individual motivation for successfully achieving individual, organizational and societal goals.

### 13.6 DISTINCTIVE FEATURES OF HUMAN RESOURCE MANAGEMENT

On the basis of several definitions, we can draw the following distinctive features of Human Resource Development.

1. **Human Resource Development is a part of General management**: Personnel management, manages workers and employees and they are the part of the whole organization therefore it is a part of General management.

2. **Harmonious relations between human and other resources of the organization**: Personnel management/Human Resource Development believes in harmonious relationship between labour and capital on one hand and between labour and management on the other.

3. **It deals with labour unions as well**: Labour unions help in preventing industrial disputes, strikes and lockouts etc. These unions help in solving the labour problems as well.

4. **Development of Human resources**: Human Resource Development is the development of human resources working in an organization. In this part of management, efforts are made to provide best education and training facilities to the workers.

5. **Human Resource Development is a system**: It is a system having several independent parts or subsystems such as Sociology of Human Resource Development procure, appraisal, development, training, recruitment etc.

6. **Human Resource Development involves development of competencies**: Basically it tries to develop competencies at individual and organizational levels. At the individual level,
employees are made to realise the importance of playing their roles in tune with overall goals and expectations of other people.
At the group level, task forces, cross functional teams are created to cement intergroup relations. At the organizational level, the organization is made to nurture a development climate, where every effort is made to harness human resources.

7. **Human Resource Development is an interdisciplinary concept**: Human Resource Development is an amalgamation of various ideas, concepts, principles and practices drawn from a number of soft sciences like sociology, psychology, anthropology, economics etc.

8. It is a process, a view, a technique and a philosophy

9. Human Resource Development is concerned with employees, both as individuals and as groups in attaining goals.

10. It applies to all employees at all levels in all types of organizations.

11. Human Resource Development is the responsibility of all line managers and a function of staff managers in any organization.

Characteristics of Human Resource Development

- Adaptable of Economic Policies
- Adaptable of Organizational Changes
- Suiting to Changing job Requirements
- Human Relations
- Adjustable to Market and Technological Changes

13.7 AIMS AND OBJECTIVES OF HUMAN RESOURCE MANAGEMENT

Human Resource Development involves developing, applying and evaluating policies, procedures, methods and programmes relating to the individual in the organization. Though the task is to achieve the goals of the organization, its main focus is on human resources rather than on financial or material ones.

**Overvietu of Human Resource Development 7**

Scott, Clothier and Spriegel state that “the objectives of personnel management or personnel administration, in an organization are to obtain maximum individual development, desirable working
relationships between employees, and to effect the moulding of human resources as contrasted with physical, resources."

Disks observes that the objectives of personnel administration include the utilization of human resources effectively, establishment and maintenance of productive and self respecting working relationships among the participants and attainment of maximum individual development of the members in the organization.

The basic objective of HRM / Human Resource Development is to help in the accomplishment of organizational goals and also to ensure the availability of a competent and willing workforce to an organization. However the specific objectives of HRM / Human Resource Development may be outlined as follows:

a) To ensure effective utilization of human resources - All other organizational resources will be efficiently utilized, by the human resources.

b) To establish and maintain an adequate organizational structure and a desirable working relationship among all the members, by dividing organizational tasks into functions, positions, jobs and by defining clearly the responsibility, accountability, author^ for each job and its relations with other jobs in the organization.

c) To generate maximum development of human resources: by offering opportunities for advancement to employees through training and education or by effecting transfers or by offering retraining facilities.

d) To make the employees feel a sense of involvement, commitment and loyalty towards the organization by reconciling the individual goals with those of the organization.

e) To offer various monetary and non monetary incentives.

f) To provide various services and welfare facilities.

g) To achieve high morale among employees by securing better human relations.

h) To keep the costs at a level.

Pigors and myers observed : Managing is organizational leadership, and one of its central task is effective coordination and utilization of available human and non. human, resources to achieve the objectives of the organization. These objectives may be for example:
a) to maximise profit or increase the firm’s share of the market.
b) to improve efficiency or expand the scope of services provided.
c) to employ more labour, and
d) to improve the quality of production, instruction, expand facilities for training and undertake research.

**Objective of HRM**

(a) Industrial peace (b) High productivity (c) better quality of working life of employees (d) obtain and sustain competitive advantage.

**1. Industrial Peace**

Without the cordial relationship between the employees and employers, no prosperity is possible. For continued success and progress; it is essential to have mutual understanding and participative and good relationships in the industry between, the management and labour. Human Resource Development functions to achieve long lasting industrial peace.  

3. High Productivity

Stephen R. Robbins has defined productivity - as the quantity or volume of the major product or service that an organization provides. In a competitive environment, productivity improvement is very significant. We need to consider productivity in the following categories according to Barry A. Stein:

a) **Capital investment**: By investing high in best technology and machines, productivity can be increased.

b) **Innovation**: New successful tricks can be discovered by the employees to increase productivity.

c) **Learning**: By acquiring and updating specific types of skills needed for the work, productivity can be increased.

d) **Motivation**: If the employee is able and knowledgeable he/she can be highly motivated.

**3. Improve Quality of Work Life**

This involves meaningful work, good supervision, sense of belongingness with the organization. According to Barry, five factors contribute to quality (a) autonomy (b) recognition (c) sense of belongingness (d) career prospects and self development (e) rewards and benefits.

**4. Obtain and Sustain Competitive Advantage**

Human Resource Development has to develop a good conducive organizational culture in which employees can share a pattern of norms and values. Employees learn to cope with external
environment as well as internal i.e. innovative management strategy. In a dynamic situation, technology changes very fast. Employees are to catch up with them and update their knowledge. There is need to have continuous improvement and innovation. This is the goal of Human Resource Development to attain and maintain competitive spirit of the employee.

13.8 SIGNIFICANCE OF HUMAN RESOURCE MANAGEMENT

In the words of Aldrich, 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.

Managing people at work is most crucial job and the importance of human resource development is universally recognized from different standpoints. Social significance of HRM is evident since it enhances the dignity of people at work by satisfying their social needs. Human Resource Development has professional significance since it provides healthy working environment and promotes team work amongst the people at work. Personnel or human resource management has direct significance for the organization since it helps in accomplishing its goals. Individuals in the organization also realize the importance of personnel management since it facilitates their own growth and development and provides them maximum satisfaction in relation to work performance.

It is often felt that though the exploitation of natural resources, availability of physical and financial resources and international aid play prominent roles in the growth of modern economies, none of these factors is more significant than efficient and committed manpower. It is, in fact, said that all development comes from human mind.

1. Human Resources in the Nation’s well being

It is human beings, who make use of physical and natural resources and transform traditional economies into the modern and industrial economies. If the human resources remain underutilized, the country cannot prosper. Where the quality of human resources is high, that country is always developed. The key element in this proposition is that the values, attitudes, general orientation and quality of the people of a country determine its economic development. Shift from manufacturing to service and the increasing pace of technological change need efficient human resource and this is absolutely necessary for nation's well being and growth. In a service oriented industry like banks or railways, the quality, quantity and utilization of human resources become all the more important.
2. Poraosmel Management (Human Resource Development) and General Management

Management of an organization in modern economies is not only complex and sophisticated but vital for economic growth. Its efficiency determines the property and well-being of the people of the nation. "One of fundamental areas of management is the management of human resources." Thus "in the management of 4m's — money, materials, machines and men, the nature of man, the management of men is not only basic but also most important, dynamic and challenging".

Successful management depends significantly upon the ability to predict and control human behaviour. Among other things, if a company is economically successful, it means the management has been able to manage human resources effectively. The human resources are the "active force of industrialisation and strategies for development should focus particularly on their enhancement".

3. Human Resource System is a Central subsystem

Human resource system controls all other subsystems in an organization. Whatever influences, the organization like economic, social, cultural, legal, political, historic competitions, consumers factors etc. - as a whole also affects the personnel system. Both the personnel system and the entire organization operate under the same cultural., economic, social, legal, political and other constraints. Hence greater the effectiveness and productivity of personnel, the more will be the effective functioning of an organization. In fact the performance of people is the only difference between the organizations.

In essence, the survival development and performance of an organization - although not solely but heavily - depend on the quality of personnel.

4. Human Resource and Market Economy

One of the three important areas of human resources i.e knowledge plays most vital role in the modern industry as railroad . played its
role during 19th century business, and an assembly line played its role during the 20th century. According to Peter. P. Drucker "knowledge is the only meaningful resource today,"

**Knowledge helps in :**

i) Coraminmuoas fismovation which is possible only with knowledgeable employees.

ii) In generating originality of service.

iii) To care for customer needs.

iv) Organizational capabilities can be leveraged through knowledge.

v) Knowledge is the only core means of coping with changes.

**5. Social Significance**

Proper management of personnel enhances their dignity by satisfying their social needs. This is done by (i) maintaining a balance between the jobs available and the jobseekers, according to the qualifications and needs, (ii) providing suitable and most productive employment which might bring them the psychological satisfaction, (iii) making maximum utilization of the resource in an effective manner and paying a reasonable compensation in proportion to the contribution made by the employee. (iv) eliminating waste or improper use of human resource, through conservation of their normal energy and health; and (v) by helping people make their own 'decisions, that are in their interests.

**6. Professional Significance**

By providing a healthy working environment it promotes team work in the employees. This is done by (i) maintaining the dignity of the employee as a human being (ii) providing maximum opportunities for personal growth (iii) Providing healthy relationship between different work groups so that work is effectively performed (iv) improving the working skill and capacity of employees (v) correcting the errors of wrong postings and proper reallocation work.

**7. Signiflearice for individual esaterprise**

It can help the organization in accomplishing its goals by (i) creating right attitude among the employees through effective motivation (ii) utilising effectively the available human resources and (iii) securing willing cooperation of the employees for achieving goals of the enterprise and fulfilling their own social and other psychological needs of love, recognition, affection, belongingness, esteem and self actualisation. Dynamic and growth orientated organization do require effective management of people in fast changing environment. Organizations flourish only through the efforts and competencies of their human resources. Capabilities of employees
must be increased. Any organization will have effective human resource management (i) to improve the capabilities of an individual; (ii) to develop team spirit and (iii) to obtain necessary cooperation from the employees to increase organizational effectiveness.

Though personnel department does not produce anything concrete but it helps other departments to contribute towards organizational objectives.

The concept of Human Resource Development is also applicable to offices, sales department, laboratories and in the ranks of management itself where top management must win the cooperation of their subordinates. Industries in public sector, non-profit institutions, government and the armed services require personnel managers.

The importance of Human Resource Development can be explained as follows:

i) Employees and workers feel themselves a part of the enterprise because of Human Resource Development.

ii) It establishes good human relations in the enterprise.

iii) It helps in the fulfilment of objectives of labour unions.

iv) It enables the best possible utilisation of labour and material resources of the enterprise.

13.9 WHY DO NEED HUMAN RESOURCE MANAGEMENT TODAY?

The following economic and technological changes force every organization to turn to Human Resource Development as its strategy in order to become successful.

1. Globalization

This refers to the tendency of firms to extend their sales, ownership and / or manufacturing to new markets abroad. The rate of globalization in the past decade has been striking.

Globalization of markets is perhaps the most obvious - Sony Calvin, Klein, The Gap, Nike and Mercedes-Benz are some of the firms that market all over the world. Firms are globalizing Qx-production too, by putting facilities where they will be most advantageous. Toyota produces its Cany in Georgetown, Kentucky with almost 80% U.S. made parts, for instance. And with globalized markets and production, globalized ownership increasingly makes more sense. Four out of five “American” textbook publishers for example - Prentice Hall, Harcourt Houghton, Miffing and Wiley - are owned by firms outside America.
Globalization has strategic implications - firms that once competed only with local firms - from airlines to automakers to banks - now face foreign competitors. The intensity of competition in a wide range of manufacturing and services is increasing very fast. Thus Ford and General motors are pressurizing Fiat in Europe, while Germany's Deutsche Bank pressurizes Citicorp in New York. Deregulation has reinforced this trend as nations eliminate the legal barriers that protected industries like banking and aviation from undisturbed competition.

More globalization means more competition and more competition means more pressure, to improve, to lower costs, to make employees more productive and quality conscious, to help them find new ways to do things better and less expensive. Some firms transfer their jobs abroad not just to seek cheaper labour but also to tap vast new supply of skilled labour around the world. Levi Strauss - once a leading manufacturer closed most of its operations and shifted to overseas. Others like Saturn depend on highly motivated, self managing teams to ensure continuous improvements in operations. In such programs HR (hiring right people and training them) definitely plays a more important role.

2. Technological Advances

Similarly, the internet and information technology have been forcing firms to become more competitive. For example, Carrier Corporation - $10 billion in annual sales and 40,000 employees - the world's largest manufacturer of all conditioners saves an estimated $100 million per year with the internet. In Brazil, for instance, Carrier handles all its transactions with its channel partners over the web. More than 80% of its revenues now passes through carrier's web enabled partners. "The time required to get an order entered and confirmed by our channel partners has gone down from six days to six minutes." Around the world, Carrier's gain is some competitor's loss : Firms that can't match its web technology simply can't compete.

3. The Nature of Work

Technology also changes the nature of work apart from reducing costs and increasing competitiveness.

Factory jobs are becoming more technologically demanding. For one thing, knowledge-intensive high tech manufacturing jobs in such industries as aerospace, com-outers, telecommunications, home electronics, pharmaceuticals, and medical instruments, are replacing factory jobs in steel, rubber textiles and auto. Even heavy manufacturing jobs are becoming more high tech. At Alcoa Aluminium's Davenport, IOWA plant, a computer stands at each work post to help each employee control his or her machines. As
Fortune magazine says - today practically every package delivery bank teller, retail clerk, telephone operator and bill collector uses computer. Technology is also changing manufacturing jobs to service jobs. New workforce is employed in producing and delivering services, not products. It has been estimated that number of jobs in service producing industries has been increased by five times compared to the number of jobs in goods producing industries. These service jobs in turn need new type of "knowledge" workers, new "HR management methods" to manage them, and a new focus on human capital. Human capital refers to the knowledge, education, training, skills and expertise of a firm's workers and it has been more important than it ever been before.

Knowledge workers resist the command and control model that business took from military 100 years ago. Company needs new world class HR systems to select, train and motivate these employees and to win their commitment to the technologies and continuous improvement programs firms today depend on.

4. Changing Work Force

Workforce is getting changed as well. Most notably, the workforce is becoming more diverse as women, minority group members, and older workers enter the workforce. Diversity has been defined as "any attribute that men are likely to tell about themselves that person is different from me" and thus includes such factors as race, sex, age, values and cultural norms.

Today more women are seen in the workforce. Especially working mothers are increasing in numbers. Women need more and different facilities and obviously different legal and social treatment at workplace. They also need more leave and holidays.

The workforce is getting older. Nearly 90% of the labour force complete their retirement age i.e. 60 years. Some may go for VRS but the median age of the work force is not less than 45-50 years.

Earlier, HR strategy was that only those who fit the image of the authorities that their employees should behave and act in a particular manner were to be hired. Now with diversity, this policy poses a challenge. Diversity can bring different talents, a wide range of skills, and various kinds of life and work experience. One of the many challenges that accompanies increasing diversity is the widening range of employee needs, which employers are meeting with such benefits such as flexi time, job sharing, telecommuting, and child and elder care program. Diversified labour force has to be made unanimous by HR system which is difficult. Every one has to be fit in the organization's values, traditions and policies.
5. Changes in employees' roles and their values

Today employees and the management have become partners in the organizations. Further changing structure of the workforce has led to the introduction of new values. Among these are moves toward:

a) Emphasis on quality of life rather than quantity.
b) Equity and justice for the employee over economic efficiency,
c) Pluralism and diversity over uniformity and centralism.
d) Participation, over authority

e) Personal convictions over dogma, and
f) The individual over the organizations.

Another change in the values is the declining work ethics. Further employees prefer flexible working hours to fixed, time schedule. Flexible schedules fit not only with the values of modern workforce but also benefits the employer with the enhancement. In productivity, reduction in employee fatigue, absenteeism and turnover improvement in morale and the like.

6. Rise in the Level of Education

Workers are today more academically qualified. The well educated employees always challenge and question the management's decisions and want a voice in the company's affairs affecting their interest.

7. Changing managing trends

Managers form the strategies that cope up with opportunities and threats as well successfully. A strategy of Global expansion has been the response to these trends - many small firms have become internationally famed. They pose threats to the existing giant ones.

Improved competitiveness - is another popular strategy, one aimed at increasing the firm's strengths and reducing its weaknesses. This strategy is manifested in many ways - in down sizing to boost productivity, in mergers to achieve increased size while scrapping unnecessary costs and to increase the use of web.

8. Organizational Changes

The earlier pyramidal levels of management are getting flat. Self directed teams of empowered employees close to the customers now make decisions. Employees can interact freely across departmental level and boundaries to get the information and decisions they need quickly. Knowledge management initiatives
mean systems are in place to ensure that employees across the company can share their special expertise.

13.10 IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

Human resource development contribute to the "resources available in the organization in order to achieve goals most effectively and successfully. It is very important :

1. At the Enterprise Level

Good human resource practices can help in attracting and retaining the best people in the organization. Good planning informs the company about the type of people it will need in the short medium and long run. It can help the organization in accomplishing its goals by

a) Creating right attitude among the employees through effective motivation
b) Utilising effectively the available human resources and
c) Securing willing cooperation of the employees for achieving the goals of the enterprise as well as for fulfilling their own social and other psychological needs of recognition, love, attention, belongingness, esteem and self actualisation.

2. At the Individual Level

Effective management of human resources can help individuals as :

a) Cooperative employees to work as team.
b) Individuals can be given full opportunities to rise.
c) Individuals with proper motivation can utilize their talents in the best possible manner.
d) Human Resource Development provides dignity to each employee by recognising his abilities.

3. At the Social Level

Society as a whole is the major beneficiary of good human resource practices.

a) Employment opportunity multiply
b) Scarce talents are put to best use. Companies that pay and treat people well, always race ahead of others and deliver excellent results.
c) Satisfied individual employees can also contribute to society by joining different organizations.
d) Employees’ social status is increased by providing more responsible position.
e) Society also prepares individuals to work hard and contribute to the organization by recognizing their talents.

4. At the national Level:

A nation becomes rich when its people are best utilized for the development of the economic enterprises. Individuals' abilities, talents, skills, and knowledge are put to use for increasing the nation's economic and material progress. They bevoiii* the nation's natural resources.

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<th>Significance</th>
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<td>- Stronger nation</td>
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13.11 SCOPE OF PERSONNEL MANAGEMENT / HUMAN RESOURCE MANAGEMENT

The scope of personnel management is very wide as is obvious from the fact that it is called by several terms such as "Labour management", "manpower management", employee relations, industrial relations, Human relations, Human resource management or development and so on.

The subject matter of Human Resource Development is "human being" or "People at work". It is the art of acquiring, developing and maintaining competent workforce so as to accomplish with maximum efficiency and economy, the functions and objectives of an organization. Broadly speaking, the scope of personnel management revolves round 3R's - i.e. Recruitment, Retainment and Retirement. Thus Human Resource Development has to look after the workforce right from recruitment to retirement.

The Indian institute of personnel management has laid down scope of Human Resource Development as follows:

1. The Welfare Aspect

Concerned with working conditions and amenities such as canteens, creches, housing, personal problems of workers, schools and recreation
2. The Labour or Personnel Aspect

Concerned with recruitment, placement of employees, remuneration, promotion, incentives, productivity etc.

3. Industrial Relations Aspect

Concerned with trade union negotiation, settlement of industrial disputes, joint consultation and collective bargaining.

All these aspects are concerned with human elements in industry as distinct from mechanical.

1. Welfare aspect : Functions associated with welfare aspect of labour are concerned with the conditions of work and the amenities such as provision of canteens, creches, housing, transport, medical, educational, recreational and cultural facilities, health and safety provisions.

The Human Resource Development manager must be fully conversant with the provisions of the factories Act and other labour laws of the country.

2. Personnel aspect : Functions associated with the labour or personnel aspect include activities concerned with manpower planning, recruitment, selection, placement, induction, promotion, transfer, demotion, separation, lay off, retrenchment, training and development, wage and salary administration etc.

3. Industrial Relations Aspect : Industrial or labour relations aspect is concerned with the company’s relations with the employees as a group and includes union-management relations, joint consultation, negotiating and collective bargaining processes, disciplinary action, grievance handling and settlement etc. The recognition of human values as the basis of personnel management helps in achieving and maintaining good industrial relations. The role of personnel policies in determining the climate of industrial relations is very significant.

Dale Yoder has classified the scope of personnel management in terms of the following functions:

a) Setting general and specific management policy for organizational relationships and establishing and maintaining a suitable organization for leadership and cooperation.

b) Collective bargaining, contract negotiation, contract administration and grievance handling.

c) Staffing the organization, finding, getting and holding prescribed types and number of workers.
d) Aiding in the self development of employees at all levels providing opportunities for personal development and growth as well as for acquiring requisite skills and experience.

e) Developing and maintaining motivation for workers by providing incentives.

f) Reviewing and auditing manpower management in the organization.

g) Industrial relations research carrying out studies designed to explain employees' behaviour and thereby affecting improvements in manpower relations.

Scope of Human Resource Management at Micro and Macro Level

Human Resource Development as stated earlier, is mainly concerned with developing the competencies of people. Human Resource Development applies to both institutional (micro) as well as national (macro) issues. The main objective, however, is to develop the newer capabilities in people so as to enable them to tackle both present and future challenges while realising organizational goals. However, it is useful both at macro and micro levels.

Macro level: National development is the major concern, Human Resource Development is concerned with the development of people for the nation's well being. It takes into consideration health, abilities, skills and attitudes of people which contribute to the development of nation as a whole. While calculating the national income and economic growth, the prospective Human Resource Development concept examines the individual potentialities, their attitudes, aspirations, skills, knowledge etc, and establishes a concrete base for economic planning. However, Human Resource Development's contribution at macro level has not gained popularity as yet.

Micro level: Human Resource Development has concern for grass root development in the organizations. It is for the individual and organizational level development. Human Resource Development at micro level is concerned with manpower planning, selection, training, performance appraisal, development, potential appraisal, compensation, organizational development etc. The objective is to develop certain new capabilities in people concerned to equip them to meet the present job challenges and to accept future job requirements.

Thus at the individual level, when individuals are given recognition for their abilities, they are further motivated to work and do their best. They are given opportunities to discover their talents and develop them. They are also given freedom to make their own decisions in their own fields. The individual gains confidence,
develops interest to do well and thus contributes to over all development and maximum production.

At the organizational level, the organization is maximum benefitted since human resources are tapped, exploited, and trained for further use. Long-term and Short term goals are fulfilled by proper planning and utilization of human talents. At the social level i.e. macro level, various job opportunities can be created and new skills can be invited.

Lastly again at macro level i.e. at national level we can see that Human Resource Development can function most effectively, Human Resource Development can contribute to build nation by concentrating on development, setting challenging goals, creating a nurturing and empowering social and political environment. Human Resource Development can also contribute to 100% literacy in our country. Professional education instead of degree oriented education and by linking education with employment, nation's many problems can be solved. It can also be done by developing Human Resource Development approach at macro-level.

The significance of Human Resource Development can be summarised as below:

i) A cordial worker — management relationship would be possible.

ii) Management would secure better cooperation and understanding of people.

iii) Employees can get more job satisfaction,

iv) At organizational level, the Human Resource Development policy can work to achieve over-all better result by working on employees.

v) At the national level, the Human Resource Development can increase economic profitability, if the employees work with greater sense of satisfaction and better communication abilities.

vi) Human Resource Development analyses, appraises and develops performances of employees by identifying gaps in their skills and knowledge.

viii) Employees learn more through job rotation, job enrichment and empowerment.

Functionally, human resource development work to have right persons at the right time at the right place.

**13. 12 FUNCTIONS OF HUMAN RESOURCE MANAGEMENT**

Human Resource Development is the most important field of management. The importance of Human Resource Development
has increased in modern times with the growth and development, of business and industrial activities. In a big industrial and, business enterprise, thousands of workers work together. In such a unit, it is not possible for a general manager to look after the interests of each individual. Therefore this responsibility is entrusted to a separate department under the charge of a personnel manager. The Personnel manager is responsible for recruiting, developing and maintaining the labour force in an organization. All the aspects of human relations are covered in the scope of personnel management. Human relations problems are multifarious and for this reason different authors have prescribed different functions for personnel management.

**E.F.L. Brech** has divided the functions of personnel management into four parts:

a) To formulate the policies  
b) To advise  
c) Welfare activities  
d) Controlling activities.

**Edvin. B. Flippo** has divided the functions of personnel management into two parts:

A. Managerial functions  
i) Planning  
ii) Organizing  
iii) Directing  
iv) Controlling

B. Operative functions  
i) Procurement  
ii) Development  
iii) Compensation  
iv) Integration  
v) Maintenance  
vi) Separation

### Functions of HR Management

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<th>Managerial</th>
<th>Operative</th>
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<td>1. Planning</td>
<td>1. Procurement</td>
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<td>2. Organizing</td>
<td>2. Development</td>
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<td>3. Directing</td>
<td>3. Compensation</td>
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<td>4. Controlling</td>
<td>4. Integration</td>
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<td>5. Facilitating</td>
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<td>6. Separation</td>
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**A) Managerial Functions:** A manager is one who exercises authority and leadership over personnel. As a manager, the
personnel manager must perform the basic functions of management. Main functions under this category are as follows:

i) **Planning** : Planning is concerned with conscious determination of course of action required to achieve the predetermined objectives. The two are inter-related. Since forecast is possible only as a result of research. The personnel manager should be able to predict trends in wages, in labour markets, in union demands, in other benefits and in personnel policies and programmes. He has to perform another very important task of forecasting personnel needs in relation to changes in production or seasonal variations and the leveling out of differences in production. He has to decide in advance what when, where, why, how and by whom it is to be done.

ii) **Organizing** : Manpower resources and material sources are brought together to achieve the planned objectives. Organization involves “identification and grouping the activities be performed and dividing them among the individuals and creating authority and responsibility relationships among them.”

iii) **Directing** : Directing means motivating individuals and groups to move according to planned actions. Direction involves giving orders and instructions and providing guidance and motivation to subordinates to follow the path laid down in advance. Directing essentially involves getting people to go to work willingly and effectively.

iv) **Controlling** : Controlling is the most important function of management. Controlling means regulating the activities of the personnel in accordance with the personnel plans. It involves the observation of action and its comparison with plans and the correction of any deviation that may occur. At times, it also involves changing the plans and their adjustment, to unchangeable deviations. Controlling means seeing that actual performance is guided towards expected performance.

B) **Operatives Functions** : An operative is one who has no authority over others but has been given a specific task or duty to perform under managerial supervision. Operative functions of personnel management are also known as service functions or routine functions and they are concerned with (a) procuring (b) developing (c) compensating (d) integrating and (e) maintaining an efficient workforce.

i) **Procuring** : This function is to obtain proper kind and number of personnel necessary to accomplish organization’s goals. The management conducts interviews and also reviews the application forms.
ii) **Development** : Development function has to do with the increase of skill through training, that is necessary for proper job performance.

This function includes activities like planning for the training of employees, holding seminars and conferences, providing for educational and vocational counselling and appraising employee potential and performance.

iii) **Compensation** : Compensation function is defined as in securing the adequate and equitable remuneration of personnel for their contribution to attain organization objectives. It includes wage surveys, wage policies, wage system, job classifications, job description analyses, merit ratings, wage rates, incentives and at profit sharing plans.

iv) **Integration** : After the employee has been obtained, his skills and abilities developed and monetary compensation is reasonably determined, the most important task of human resource development is then to integrate individuals with organization. Integration is concerned with the attempt to effect a reasonable reconciliation of individual, societal and organizational.

Staffing, personnel management or Human Resource Development includes activities like recruiting, selecting, training, compensating, appraising and developing employees.

HR management is a part of every manager's responsibilities. These line responsibilities include placing the right person in the right job, and then orienting training and compensating to improve his/her job performance.

The HR manager and HR department carry out three main functions.

i) The manager exerts line authority in his/her unit and implied authority elsewhere in the organization.

ii) HR objectives and policies are coordinated and implemented,

iii) He provides staff services to the line management such as assisting in the hiring, training, evaluating rewarding, promoting and disciplining of employees at all levels.

### 13.13 SUMMARY

Trends such as globalization, technological advances and deregulation mean that companies must be better faster and more competitive to survive and thrive today. Other important trends include changing workforce increasing diversity among them and changes in the nature of work such as the movement towards a service society and a growing emphasis on human capital.
Trends like globalization and technological innovation are changing the ways firms are managed. For ex. the traditional pyramid shaped organization is flattening, employees are being empowered to make more decisions, work is increasingly organized around teams and processes, the bases of power are changing and managers today must depend on self disciplined and committed employees. HR activities can have measurable effects on a company’s bottom line and on making a company better faster and more competitive.

13.14 CHECK YOUR PROGRESS

1. What do you mean by human resource management?
2. Explain features of H.R.M.
3. Discuss the concept of H.R.M.
4. Highlight the objectives of H.R.M.
5. Analyse the Significance of H.R.M.
6. What are the functions of H.R.M.

13.15 REFERENCES


13.16 QUESTIONS

1. Explain the Characteristics and importance of H.R.M.
2. Discuss H.R.M. and describe its need, scope and significance.
14

IMPACT WITH REFERENCE TO CURRENT TRENDS

14.0 Contents
14.1 Objectives
14.2 Introduction
14.3 Economic globalization
14.4 Labour in the current trends of occupational structure
14.5 Knowledge economy and labour
14.6 Job insecurity unemployment and the social significance of work.
14.7 The experience of unemployment
14.8 Summary
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14.10 Question

14.1 OBJECTIVE

1. To families students with the role of new economic policy automation and labour welfare.

2. To make students aware about the development of industry service sectors and current information technology revolution

14.2 INTRODUCTION

Until liberalization in 1991, the government banned most imports, established price controls and discouraged foreign investments. The performance of Indian economy had been dominated by a regime of multiple controls, restrictive regulation and wide ranging state intervention. A large proportion of the nation saving was appropriated by the state through various administrative and tax measures, and was diverted to finance government expenses, public sicker undertakings and their losses. Industrial economy of the country protected by the state and insulated against external competition was prevented to grow in a would of rapidly advancing technology.

14.3 ECONOMIC GLOBALIZATION :-

As Karl Marx has said, the very logic of capitalism seeks to expand discover new market searching for raw materials and sources of capital labour and profit. This was the reason why Birtish rules expanded their kingdom by making new colonies in America,
Africa and Asia. But globalization change is the global economic process. Some basic aspects are included as follows

1) **Post industrialism** - David Harvency argues that today there is a flexibility in production process, products and patterns of consumption as well as increasing mobility of capital and labour. There is organized subcontracting, outsourcing etc. which link third world and advanced countries. Big **corporations** have taken the international marketing in their hard and dominate the small business, Harney argues that this is the example of capitalism being more centrally organized than ever, due to more tight control over capital. This is possible by growth of information technology an reorganized financial system.

2) **World business** – Dispersal produces and consumers are linked together thought world trade. Earlier Britain was the dominating nation was USA leads. Many land developed nations also have taken part in world business. There are many trade blocks like ASEAN, EV, NAPTA competition has been increased map*” push in industry and business is towards globalization of markets.

3) **Multinational corporation (MNC)** – Multinational have emerged as powerful lobby for world. They capture most advantages business market. Not only from America, from other countries also MNG function today. Over 35,000 MNCs in would controlled approximately 1,70,000 foreign officials. One third of world trade takes place within MNCs as transfer from me unit of an MNC to another. Many MNCs have entered India and are made good business e.g., MC Donald’s food chair business.

4) **New International division of labour** – Rich countries (core countries) spread their manufacturing activities throughout the world. They spend money and buy labour. Underdeveloped countries produce labour and this join the divided manufacturing activities. According to Walla Stan, core industries control would market, and production and them make underdeveloped countries dependent on there. The more industrialized countries such for cheap labour and easy accessibility to raw materials and set factories there. They also origin contracts to already established factories in such countries like East Asia. But it has been confirmed that only in field like textiles, clothing, shoes, rich countries give contract bur in other fields they invest money in machine production and save labour costs. Through local branches, MNCs invest money is business, they also transfer technology, accepting big projects. Through joint ventures and marketing agreements, subcontracting MNCs are less developed countries as expanding local markets and further industrial partners.
5) **Financial markets** – There is trend is discipling countries financially through IMP which can impose structural adjustment programmes and conditional tries of which devaluation of currency is usually first. Global financial institution are gradually controlling domestic policies of member countries and 1980 they clearly favour privatization liberalization and globalization. There was a major shift I international finance away form banking into security markets. Enormous increase in value of transactions in turn influenced currency prices. Therefore has been sharp differences between thw real economy and finance MNCs have pushed hard for free capital movement and opening of capital and other markets. Growth of financial markets has influenced loss developed countries, since huge increase in foreign equality port folio investment rather than direct investment has confronted LDCs with qualitatively new relationship with international capital.

6) **Labour irrigation** – While financial marketing are most globalization as based on capitalism or world system autonomy of social and cultural process of globalization. This view is confident of separating out economic political and cultural aspects of globalization as relatively autonomous or independent process Technology and media which dissolve boundaries between localities and allow cultural transmission of take place at increasingly rapid rate were generated by modernization e.g. taken money transportation, electric communication social technology of administration Globalization is progressing more rapidly and completely in realm of culture. Contemporary increased spread of globalization as due to explosion of signs and symbols that are associated with modernity. All modern technology originated in advanced capitalist societies. There are three effects

a. Export of culture ideology of consummation from centre to periphery.

b. Cultural flows through man media dissolve boundaries.

c. in so far as man media convert contest of human relationships into symbols or takes they can connect people across great distance hence communities of interest or commitments can develop between people who have never met.

14.4 **LABOUR IN THE CURRENT TRENDS OF OCCUPATIONAL STRUCTURE, KNOWLEDGE ECONOMY AND LABOUR**

The occupational structure across also industrialized countries has changed very substantially since the beginnings of twentieth century. At the start of the twentieth century the labour market was dominated by blue color manufacturing jobs, but over
time the balance has shifted towards while collar position in the service sector. In the UK in 1900, more than three quarters of the employed population was in manual (blue collar) work. Some 28 percent of there were skilled worked 35 percent sent skilled and 10 percent unskilled white collar and professional jobs were made up less than two thirds of the population in paid labour, and non manual work had expanded correspondingly. There is considerable debate over why such changes have occurred. The resources seem to be several, One is the continuous introduction of labour saving machinery, culminating in the spread of information technology in industry in recent years. Another in the rise of manufacturing industry out side the west, particularly in the far East. The older industries in western societies have experienced in western societies have experienced major cutbacks because of their inability to complete with the more efficient far Eastern producers whose labour costs are lower.

14.5 THE KNOWLEDGE ECONOMY AND LABOUR

Some observers have suggested that what is accusing today is a transition to a new type of society that is no longer based primarily on industrialism. We are entering, a phase of development beyond the industrial era altogether. A variety of term have been coined to describe this social new economy. The term that has come into most common usage, however is the knowledge economy.

A precise definition of the knowledge economy is difficult to formulate, but is general terms it refers to an economy is which ideas, information and forms of knowledge underpin innovation and economic growth. A knowledge economy is one in which must of the workforce is involved not in the physical production or distribution or material goods, but in their design, development, technology, marketing and servicing. These employees can be termed knowledge workers. The knowledge economy is dominated by the constant flow of information and opinion, any by the powerful potentials of science and technology.

A recent study by the organization per Economic Cooperation and Development has attempted to gauge the extent of the knowledge economy among developed nothing measuring the percentage of each country. Overall business output that can be attempted is knowledge based industries. Knowledge based industries are understood broadly to include high technology education, training research and development and the financial and investment sector. Among OECD countries as a whole knowledge based industries accounted for mere than half of all business output in the mid 1990s.
Investment into the knowledge country in the form of public education, spending on software development and research and development now comprise a significant part of many countries’ budgets. Sweden for example invested 10.6 percent of its overall domestic product into the knowledge economy in 1995. Finance was a close second because of its extensive spending on public education. The knowledge economy remains a difficult phenomenon to investigate—both quantitatively and qualitatively. It is easier to measure the value of physical things than weightless ideas. Yet it is undeniable that the generation and application of knowledge is becoming increasingly central to the economies of western societies.

Multi skilling new farmssptfwork allow employees to increase the breadth of their skills by engaging in a variety of tasks rather than performing the specific task over and over again. Group production and teamwork are seen as promising a multi skilled workforce capable of carrying out broader set of responsibilities. This return leads to higher productivity and better quality goods and services; employees who are able to contribute to their jobs in a multitude way will be more successful in solving problems and coming up with creative approaches. The more towards multi skilling has Implications for the hiring process. If one time there were made largely on the basis of education and qualification many employees now look for individuals who are adoptable and can learn new skills quickly; Thus expert knowledge of a particular software application might not be valuable as a demonstrable ability to pick up ideas easily specialization are often assets, but if employees have difficulty in applying narrow skills creatively in new contexts, they may not be seen as a benefit in a flexible innovative workplace.

14.6 JOB INSECURITY UNEMPLOYMENT AND THE SOCIAL SIGNIFICANCE OF WORK

In recent decades the phenomenon of job insecurity has become an important topic of debate within the sociology of work. Many common taken and media sources have suggested there has been a steady income in job insecurity has now reached unprecedented heights in industrialized countries. Young people can no longer count in a secure career with one employer, they lain because the rapidly globalizing merges and corporate downsizings where employees one laid off. The drive for efficiency and profit means that those with few skills or the among skills are relegated to insecure, marginal jobs that one vulnerable to shifts in the global market. Despite the benefits of flexibility at the workplace, the arguments continues we not live is a ‘hire and fire’ culture where the idea of a job far life no longer applies. The rise in job insecurity.

In 1999 the Joseph Rowntree Foundation published the results of the Job insecurity and work Intensification survey (JIWIS) examined the types of worker who had experienced greater or lenses levels of
insecurity with the passing of time. The authors found that in the mind 1990s the greatest increase in job insecurity occurred among non-manual workers. From 1986 to 1999, professionals shifted from the most secure occupational group to the least secure white manual workers experienced somewhat lower levels of job insecurity. One of the main sources of this insecurity appeared to be a lack of trust in management. When asked if management looked out for the employees best interest, 44 percent of respondents claimed that they did so only a little or not at all.

Most scholars agree that job insecurity is not a new phenomenon. The disagreement surrounds the extent to which it has become more pronounced in recent years and more importantly, which segments of the working population experience job insecurity most acutely. Some critics argue that studying take the JIWIS project are nothing more than an unwanted response to perceived job insecurity among the middle classes. In the last 1970s and 1980s Britain experiencing economic receiving that proved to be particularly harmful to traditional manufacturing industries. Roughly are willow job were lost during this time is seeking such as steel, shipbuilding and coal mining. It connect until the 1980s and into the 1990s that professional and managerial workers had their first large scale expense to job insecurity. Corporate takeovers and lay off have affected the banking and finance schools, the spread of information age had cost many civil servant them jobs as systems are streamlined thought the one of computer technology.

If manufacturing workers had become accustomed to living with the threat of redundancy white collar workers were has prepared for the changes affecting their occupation. This anxiety among professionals, led some to speak of the insecure middle. The term was used to describe white collar worker whose faith in the stability of their jobs mean that they had taken on significant financial commitments such as sizeable mortgages, private education for children or experience hobbles. Because redundancy had never crossed their minds before, the sudden spectre of unemployment caused them to experience enormous anxiety and insecurity. Job insecurity soon become a buzz topic in the media and in professional crickets although some believe thus was an overreachian where compared to the mere chronic insecurity experienced by the working class.

The job insecurity and work internfication survey formed that far many workers job insecurity is much more than a fear of redundancy. It also encompasses anxieties about the transformation of work itself, and the effects of that transformation on employees health and personal life. The study revealed that workers are big asKed to take to more and more responsibility at work a? organizational structures become loss bureau tic and decision making i? spread thoughtout the workplace. Yet at the
sometime that the demands on them one increasing many worker see their chances of promotion decreasing. This combination leads workers feel that they are losing control over important features of their job, such as the pace of work and confidence in their overall career progression. A second harmful dimension to job security can be seen in workers personal lives. The study found a strong correlation between job inconstantly and poor overall health. This link is substantiated by data from the British household Panel. Survey, which showed that peoples, mental and physical health continues to determinate with episodes of prolonged job insecurity. Rather than adjusting to the insecure conditions worker remain anxious and undercounting stress. This pursuit from work seems to transfer into the home environment those workers reporting high levels of job insecurity also tended to experience tensions at home.

14.7 THE EXPERIENCE OF UNEMPLOYMENT

The experience of unemployment can be very disturbing to those accustomed to having secure jobs. Obviously the immediate consequences is a loss of income. The effects of this vary between continues become of contants in the level of unemployment benefits. In countries where there is guaranteed accent to healthcare and other welfare benefits, unemployed individuals may experience acute financial difficulties but remain protected by the state. In some western countries, such as United States, unemployment benefits last a shorter time and healthcare is not universal making the economic strain on those without work correspondingly greater.

Studies of the emotional effects of unemployment have noted that people who are unemployed often pan through a series of stages o they adjust to their new status. While the experience is of course ah individual one the namely unemployed often experience a secure of shock, followed by optiunison about new opportunities. When that optimum is not rewarded, as is after the care, individuals can slip depression about pessimism, themselves and their employment prospects. If the period of unemployment stretches on, the power of adjustment eventually completed with individuals resigning themselves to the relatives of there sihration. The strength of communities and societies can be undecreased by high lack of unemployment. In a classic sociological study in the 1930, Marie Jahoda ad her colleagues investigated the care of Marienthal a small from in Austria experiencing was unemployment after the closure of the local factory. The insecurities hotel how the long term experience of unemployment event natty increased many of the community sorat structures and networks. People were ten active in civic Affairs, spent less nine socially with one another and even visited the town literacy less frequently.
It is important to note that the experience of unemployment also causes by social class. For those at the lower end of income scale, the consequences of unemployment may be felt mostly financially. It has been suggested that middle class individuals find unemployment damaging primarily in terms of their social rather than their financial status.

14.8 SUMMARY

Globalisation in India has brought many changes. The new economic policy has wet the decision towards entry of multinational companies, disinvestment, foreign direct investment, privatization, and more liberal economy. Computerization, information technology, all sectors have affected the growth of individuals and labour and there is large scale unemployment of white collar and blue collar workers all over world.

14.9 Check Your Progress

1. What do you mean by globalisation.
2. India after independence had adopted a policy of economic development.
3. Globalisation has brought close relation between the 1st world and 3rd world.
4. Discuss globalisation as a consequences of modernity.
5. What is new economic policy.
6. Discuss positive and negative consequences of New economic policy.

14.10 QUESTION

1. Discuss the impact of globalization on industries and workers.
2. Analyse the role of globalization in the development of Indian Economy.

14.11 REFERENCES


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15.1 OBJECTIVE

1) To families the students that the introduction of Globalization was through liberalization of policies.
2) To emphasize that the multinationals played an important role in the expansion of world trade.

15.3 INTRODUCTION

Before we study the meaning of globalization it is necessary to know the reason for studying globalization, which is a part and parcel of today's modern world. In the pre-industrial stages every nation was interested in its own progress and development. In such a situation international relations were extremely limited. However with the development of industrialization modernization, urbanization, developed means of transport, communication science and technology, the business between the countries of the world started breaking down and international or external relations between the countries developed at a rapid rate.

Globalization as a term refers to a policy adopted by the Government of India especially since 1991. The critical foreign exchange situation, galloping inflation and the compulsive need for external aid, prompted the government to accept the new terms and conditions for opening up of Indian economy. This resulted in the removed of restrictions and duty on imports, which implied liberalizing of the India's economy intern of import of foreign goods
and permitting almost unrestricted free flow of foreign capital is practically all the important areas of the Indian economy.

Today there is need for close interaction between the countries of the world. Therefore different nations are co-related to each other and attached to each other through various aspects such as communication, media, social relations, economic or is termed an globalization that is one that involves the globe. The world globalization, like socialism till recently, is currently in much use and the collapse of socialist economics has greatly enhanced its prestige. The economics today are seen an enter lined and economic life now has become so competitive and interdependent that they have turned into a world market and economies have partially or fully been globalized or are moving towards globalization.

India after independence had adopted a policy of planned economic development and to achieve this it hard thad to follow a policy of mild protection and import substitution Our economy slowly moved towards globalization that got a boost by the policy of late Prime Minister Shri Rajiv Gandhi and thrust with the announcement of the New Economic Policy Rao in July 1991. During the east 10 or 15 years there has been a gradual shift of employment form the organized sector to the unorganized sector. Within the organized sector the proportion of causal and contract labour is increasing. This has been one of the major consequence of industrial restrictions during the 1980s. The new Economic Policy accelerated this trend with the increased importance to experts, and more and more expect processing zones have emerged in different parts of the country.

Globalisation refers to a world wide phenomenon buying different countries of the 1st world and the third world into a close network of social economic and political connections crosscut borders between countries. Globalisation thus means increasing interdependence of the world society.

Giddiness defines globalization on the intensification of world wide social relations, which like distant localities in such a way that local happening are shaped by events occurring many miles away and vice-versa. McGrew also speaks of globalization as simply the intensification of global inter-connected and stresses the multiplicity of linkages implies-goods capital social inspirational relationship technological developments ideas all really flow across territorial boundaries.

### 15.3 IMPORTANCE OF GLOBALIZATION

Our lives are rive singly influenced by events happing far away from the social context in which we carry on our day-to-day activities. Then there is an emergence of would system or a single social
order for the world. Although globalization is rapidly developing today, it is not a completely new concept. However it has become very important today became the effects of globalization are felt on a world wide basis. Major economic referees which were considered to be nearly impossible until recently, were introduced which are popularly known on structural adjustments or liberalization or globalization.

This globalization of the Indian economy is the need of present times. Looking to the need of the unsatisfactory economic record of previously closed economies like East Germany, China, Poland and the U.S.S.R. On the country the open economies like HongKong, Singapore, Taiwan and South Korea have progressed well thereby justifying the process of growth under liberalization through globalization Indians economy must prepare itself for moving on non-traditional lines to achieve goals of macro balances between aggregate demand aggregate supply, saving and investment revenues and expenditure, explain and imports etc. The Indian economy needs to be totally transferred to soh/e its basic problems of poverty, unemployment and inequality, Liberalization or globalization of the economy is a remedy for alltheseill.

15.4 GLOBALISATION

A sociological understanding According to Hoogvelt, Sociologists have been at the fare front in the effect to give globalization a consistent and rigorous heretical status. In the contemporary period, its development a specifically sociological concept owes by for the greatest debt to Roland Robertson of the university of Pittsburg. Curiously globalization, or a concept very much like it, put in an early appearance in the development of social science. Saint Simon noticed the industrialization was including commonalties of practices across the disparate cultures of Europe Duukheims legacy to globalization was his theories of differentiation and culture. The state and the collectivecohsciousness must progressively become more weak and abstract in the order to encompass intra society diversity. All this implies that industrialization tends to wreakers collective commitments and to open the way for dismantling the boundaries between societies just on Dmkheim identified differentiation, Weber identified rationalization as the globalizing solvent. Weber's concern with the success of rationalization and with its spread from the speed bed origins of calvinishz Pretrtauism to infect all western cultures implied a homogenization of cultures as well as reduced commitment to such values as patriotism and duly. But even this globalizing effect was restricted to Western Europe.

Of all the clinical terrorists, the one mostly explicitly committed to a globalizing the rely of modernization was Karl Marx. Globalization caused an enormous increase in the power of the
capitalist class because it opened up new markets for it. The establishment of a ‘world market’ for modern industry gave a cosmopolitan character not only to production beta Bo to consumption.

In contemporary sociological theory, one of the theoretical debates of go globalizations surrounds when it began. Two broad patterns are suggested

1) the emergence of a new age
2) through the powerful mediating category of modernity

1) The emergence of new age - Martin Albrow wants us to think of globalization on its own terms and in its own time. He speaks ‘of the global age' which her anglers has replaced the modem age'. The modem age has been supplanted and superseded by a new global age, with its own axial principles and specific cultural imaginary. The ‘eocptal shift’ from premode modt to global lies in the axial principles that put commercial, mobility and connectivity at the centre of our lives. Through the mediating category of modernity under this pattern, three possibilities can be speared :-

a) Globalisation is seen in the historical contest of modernity. Robertson is a strong proponent of this new. Only within the historical appearance of key modern institutions of capitalism, industrial and urbanism, a developed nation state system mars network of social relations characteristic of globalization wise. Thus modernity understood on the nexus of there institution is the essential hysterical contact of globalization. Prior to this period the socio-institutional conditions and the resource of cultural imagination enabling connectivity are simple not in place. Robertson does not subscribe to Giddiness view that modernity has led directly to Globalisation. Rather, Robertson insists that globalization of the contemporary type was set in motion long before modernity in the economic sphere it predates even the rise of capitalism. He does not however deny that certain aspects of modernity have greatly amplified globalization i.e. modernization tends to accelerate the globalization process.

b) Globalisation is seen as a consequence of modernity. Gidders has offered one of the most sophisticated analysis of modernization and its inherently globalizing properties in his book ‘consequences of modernity using the concepts of time-space distanciation disembodying and reflexivity, he explains how complex relationship develop between local actvitiesad interaction takes place across distances. He sees globalization on the result of inherently expensive characteristics of modernity. He list for such institutional characters his an organizational cluster a) is capitalist system of commodity production (owners of private capital and labour (b) industrialization (technology requires a collective Private capital and
labour, (c) administrative competence of the nation state (a good surveillance system) (d) military order (for centralization of control wither an industrialized society) He explains that his discussion of globalization focuses on modernity since he sees globalization as a consequences of modernity. Modernity implies universalizing tendencies that make possible global networks of relationships and were basically extend temporal spatial distance of social relationship.

c) **Globalization is the result** of the hegemony of modernity. Wallerstein sees globalization in its strategic role of the maintenance of western cultural dominance and its universalizing and hegemonic tendencies. The concept of globalization he opines is an obvious, object for ideological suspicion, became like modernization a predecessor and related concept, it is bound up intrinsically with the pattern of capitalist development as it has ramified through political and cultural arenas, it does not imply that every cultural/society met become westernized and capitalist, but they must establish their position in relation to the capitalist went. Wallustein concentrations on the emergence and evolution of the modern European would system, which he traces from its late medieval origins of the fifteenth and sixteenth countries to the present day. Capitalism function in relation to the long-term cyclical rhythms, the central one of which is the regular pattern of expansion and contradiction of the whole economy, which one the year have trams farmed the capitalist world economy from a system located primarily in Europe to one that covers the entire globe.

15.5 **CONTEMPORARY GLOBALIZATION IN THE WORLD**

The task of globalization theory is to understand the sources and condition of this complex connectivity evident in all spines and every where in the world today Robertson explain that while events in any one part of the world will increasingly have consequences " for or be referenced against events in other distant parts, this relatiarization may not always be positive. We need to understand that globalization follows the path of its own inexorable logic. Global connectivity then means that we now experience distance indifferent way. This particular sense of proximity can be seen in the transformation of spatial experience into temporal existence. Robertson looks in dated of how connectivity shades into a) proximity b) unity

a) Connectivity and proximity refers to the shrinking of distances through the dramatic reduction in time taken either physically or representational (information technology) to cross distances. It also refers to spatial proximity via the idea of 'stretching' social relations across distances on Giddens speaks of it. Global proximity results from a shrinking would or an McLuhan
describes it the would reduced to 'global village'. The United Nations uses the term 'Global Neighbourhood'. Phenomenologically, proximity is described on a common conscious appearance of the worlds, more intimate and more comprehend' metaphorically it implies an increasing immediacy and consequentially thereby reducing real distanciated relations.

b) Connectivity and Unicity for the first time in history the globe is becoming a single serial and cultural setting. Thus in all spheres of life, issues no longer be looked at independently from a local perspective, Globalization has connected the world. Local is raised to the horizon of a 'single world'. There is both increasing introduction and simultaneity of frames of reference. Robertson Clauses that global unity does not imply a surplices infirmity like a world culture. It does not imply wholeness and inclusive even that is total and encompassing. Rathy, it is complex social and phenomenological condition in which different aspects of human life are brought into articulation with one another. It should lead to cultural differences becoming more accentuated precisely as it is identified in relation to the 'would as a whole'. The would system may be divided by conflicts that one more intractable than the previous disputes between nations.

Globalization needs to be industrial and analyzed multi-dimensionally intern and analyzed multi-dimersionally intern of the simultaneous and completely related processes in the realize of economy, polity, culture technology and so faith. Robertson stresses that globalization needs to be understood as involving contradictions, resistances' and countervailing forces, as involving a dialeche of opposed principles and tendencies local and global. Particular and universal, integration and differentiation.

15.6 NEW ECONOMIC POLICY

Structural adjustment loans brought forward various changes in the policies of the Indian government. Before 1991 the Indian government tried to have a minimum enter furnace of foreign enterprises in the Indian economy. Foreign companies were not given a free market for their products but at the sometime, limits were maintained a rules were inued as regards foreign collaboration. The government, due to the structural adjustment loans, had to remove these limits of control. Therefore there changes were welcome and thus formed the New Economic Policy. It was due to this policy that the process of globalization entered India at a very rapid pace. Hence the new economic policy is considered as a significant aspect related to globalization.

The July 1991 budget incorporated the first stages of structural adjustments of the new economic policies. The reforms or changes introduced in 1991 have the following important elements.
1) The major intention of the Indian government was to solve its balance of payment crisis.
2) It liberalized import and export and policies on foreign trade. This meant that the Indian businessmen as well as foreign enterprises were now free to have trade relations with each other.
3) This policy led to internal de-regulation of the market.
4) The Indian government de-valued the rupee to encourage exports. It increased the professional tax and reduced income tax.

When the Indian government brought about so many changes they were considered positive because they increased the pace of globalization. However, the government had to introduce certain other changes, which had negative consequences e.g. the Indian government had to reduce subsidies on agricultural inputs and on prices within the public distribution system.

15.7 POSITIVE AND NEGATIVE CONSEQUENCES OF THE NEW ECONOMIC POLICY:

The new economic policy brought in its wake certain significant consequences in the Indian society. There consequences were both positive and negatives.

Positive consequences

1) The government spent amounts on welfare and poverty removal programmes. This meant that the extra finance that the government had earned through reducing the subsidies was used for the positive activity.

2) One of the significant consequences was the justification provided to the new economic policy or the policy of liberalization. The Indian government anticipated an inward rush of foreign capital in the form of direct investment. It was assured that this would bring rapid growth for the economy, reduction in unemployment and rising personal incomes.

Negative consequences

1) The new economic policies had to increasing impoverishment. There was depression of wages.

2) One of the serious after affects of the new economic policy was an increase in the amount of child labour. Thus affects the future of the nation because children are the citizens of tomorrow. In order to ensure proper program for the nation. It is necessary that the young generation should have at least a decent level of education. Due to the problem of child labour. Children are
deprived of education and are in fact explored and deprived of their right to education.

3) The poor class suffered a lot due to the withdrawal of government subsidies on agricultural inputs as well as in the public distribution system. The waist affected were the loudless laborers who were dependent on daily wages.

4) The integrated rural development also faced a setback due to the government's policy. This resulted in a tremendous loss to the prevent section and particularly those who dependent guaranteed work scheme in slack seasons.

5) The policy of liberalization can also be linked with increasing rationalization and regions started company with each other for favour from the union government. The basic aim of the competition amongst the region as to receive foreign capital. This resulted in ethnic movements and other serious conflicts.

6) The new economic policy brought back caste divisions in a major way. The private sector started becoming more and more important. This led to severe is employment. However the private sector did not implement the policy of renovation. As a result of their the scheduled casts and scheduled tribes were adversely affected. On the other hand the brahmans or the upper caste benefited a lot when the economy was privatized. Then there was an in centre based economic division.

7) Under the impact of new economic policy and the policy of liberalization the MNC's entered into the Indian market at a very fast rate. Though their entry was considered significant by the government became of increase is foreign capital investment, it did create a variety of negative consequence. The MNCs had its own selfish interest. They were most interested in local buyouts and mergers rather than in genuine new enterprises. Their main concern was to enter the Indian domestic market e.g. Coco Cola took over Thums up, Honda merged with Bajaj. Thus tendency of the MNC's led to serious doubts regarding their own genuine concerns. There were the following allegations against the MNC's.

1) They were executing dominance and control over the local companies.
2) The MNG's showed a tendency to import outdated technology.
3) There was a marine brain chain to the went especially in the software industries.

8) The government had liberalized the controls on expert under the new economic policy. Due to thus, certain highly capitalized Indian farmers started satisfying their own selfish interest. They indulged
in exporting high qualitative products to overseas market for high profit e.g. high quality Basmati rice and Alphonso mangoes are exported, infact majority of the Indian population don't even get to see this quality of rice and mangoes. Thus the farmers show interest in their own profits.

15.8 IMPACT OF GLOBALIZATION ON INDIA

The concept of globalization has affected almost all countries in the world. The impact of globalization on Indian has resulted in various changes in the various spheres of life. Some changes have been possible whereas some have resulted in negative consequences. Globalization in India, especially in the economic or market aspect has been very significant became of its important social consequences both positive and negative. One of the significant imprints of globalization on India is the new economic policy. The new economic policy is extremely significant because if has brought globalization into the Indian society on a very large scale. It means before the implementation of the new economic policy the concept of process of globalization was limited in its structure.

After the British left India in 1947, the situation of Indian society was not at all favorable. Low level of growth in the economy and high levels of deprivation among the population marked the immediate post independence situation. It was necessary to improve the low levels for stable economic growth. The consequences or a solution to this problem was the creation of a planned, relatively closed economy with a high degree of government control and of a policy of widespread subsidies.

The government of India developed the policy the five-year plans that is continued even today. The interest five year plans concentrated on industrialization and modernization through a large capital investment. The reason was to reduce high economic growth. Gradually the later five years plan concentrated more on welfare and poverty removal.

The Indian economy was divided into two major sectors namely, the public sector and the private sector. The private sector was important but it did not venture into certain areas of the economy due to long gestation periods, high capital investment as well as high risks. They wanted these industries to be within the country but neither by themselves nor under the control of foreign enterprise. Therefore, the main intention of the public sector was to setup industries in those areas rejected by the private sectors. When the Indian government attempted to raise money for this investment from the World Bank it was referred on the following grounds.
a) India was basically a public driven school i.e. the public sector was extremely active in nature.

b) In the world Banks view, India has agriculture as its major aspects as compared to industries and therefore industrial goods should be improved rather than produce at home.

c) Help should be taken from the multinational companies (MNC) for setting up any industrial enterprise.

As the world Bank rejected the loan, India approached USSSR & processed the loans. In spite of the loan clearance try the USSR the problem in the Indian society did not stop old problems were solved to a certain extent and at the same time several important and serious problems aloe e.g. within the framenant of bureaucratic structure, corruption, bribery increased at a rapid rate. The five years plan had also resulted in certain partial policies such as the queen revolution which favoured regions like Punjab and it created differences between vendes regions in the country. The Government of India was also unable to effect the income redistribution. Which would have stimulated the demand for domestic production. Thus India was now failing new types of problem.

The Gulf was took place in 1991. During this war, India found it impossible to borrow from the world market. The Non Resident Indians or the NRI's in this situation become worried about the money that they had invested in India and therefore they quickly withdrew their deposits. The situation made India more short of foreign exchange. With a lack of foreign exchange the balance of payment crisis emerged. India now found it impossible to build up her independent economy and therefore was forced to accept a stmetrical adjustment loan from the World Bank. The loan popularly came to be known on New Economic Policy

15.9 SUMMARY

International economy experienced a program international economic integration, that is internationalization of production, trade, investment and finance, called globalization since 1 950. However this process of globalization is not a global phenomenon as has been finally adulated by the World Bank in a report published in May 1996. Like limits to economic growth, there are also limits to globalization & the economy and the minimization of state control wherein the awareness is growing that no nation can fee safe without the commitment to international obligations. However there is yet long way to go before this consciousness is trays formed into reality.

15.10 CHECK YOUR PROGRESS

1) What do you mean by globalization.
2) India after independance had adopted a policy of economic development.
3) Globalisation has brought close relation between the 1st world and 3rd world.
4) Discuss globalization as a consequence of modernity
5) What is new economic policy?
6) Discuss positive and negative consequences of New economic policy?

15.11 QUESTION

1) Discuss globalization and new economic policy? What is its importance in the present times.
2) What is new Economic Policy? Highlight the consequences of new on Indian Economy?

15.12 REFERENCES


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EXIT POLICY AND VRS

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16.1 OBJECTIVE

1) To familiarise the students regarding the impact of globalisation on Indian industries workers.
2) To introduce the students to the concept of liberalization and privatization.
3) To evaluate the disinvestment policy of the government.

16.2 INTRODUCTION

The industrial policy of India after attempting liberalization policy in 70s & 80 s changed once to further liberalization i.e. Globalization. This meant entry of multination, infect re-entry for many of them in the Indian economy. This policy has been adopted to attract foreign capital for investment. Globalisation means a country open its economic activities outside its boundary. The globalizing country does not confine its economic activities to the limits of its own geographical boundary. In other words globalization means having trade and industrial relations with other countries without restrictions like tariffs and quotas and disincentives like taxations.

16.3 NECESSITY OF GLOBALIZATION

Globalisation is the need of the time. If a country choose to be-in-isolation then it will not get the best knowledge, best technology, best management expertise and adequate capital. The country has to bring all the superior things like capital and entrepreneurship
available abroad into the country. If there is isolation then the producers, both the individuals and the companies in the country will have no competition and therefore no improvement in the quality of the products. When domestic market is limited there will be monopolies, restrictive practices and consumer exploitation. This will lead to inefficiency in production. No competition means complacency and inefficiency and the things will be taken lightly. When outside firms enter inside firms will become violent, hand working and have a fighting spirit in place of lethargy. From the consumer's point of view they will benefit both in quantity and quality of the goods. For example the Usha fans have to compete with the RDK of Japan. Usha will therefore try its best to retain the market by making improvement in its product. The benefit of this will go to the consumers.

Globalisation also means for business we can go out to the other countries, there is free import and export without any restrictions, when there globalization giant multinationals enter our country and they may kill our own enterprises. And for that reason we must allow only those companies which are helpful and beneficial and which are ready to function at our terms and conditions. On economic policy should be able to balance the interest of the counting as well as the interest of the multinationals. The year 1964 is a watershed Nehru's death lead to a landmark in our economic policy. The original the socialist policy of Nehru was failing. His policy was distorted. The coming of liberalization.

Real changes came after 1984 when the process of liberalization started. The licensing and regulatory controls were liberalized. The policy of liberalization gained momentum from 1991 onwards. When Narasinha Rao's government came into power. Even today there is no complete liberalization. Public sector is still continuing. Neither there is complete privatization nor complete public sector. State Bank a public sector organisation issues shares for private individuals. Similarly in petrol and oil companies there is private investment in public sector. This is done so because is due course of time. The commercial norms will be introduced in the public sector and that will have potential to make more profits. For example with the entry of private individuals in air lines, An India is expected to perform better. Not only this when individual inverts enter into the management of Air India its performance will be more efficient. As a result at will give better service and earn more profit. Privatization and Liberalization are different in their connotation but their result is more or less same. Liberalization is a negative concept in the sense that it results in the withdrawal of state control and regulations, whereas privatization means private individual and entrepreneurs are allowed to inter into public sector organizations. Liberalization is an ideology whereas privatization is an operational thing. Liberalization and privatization help our economy to raise its level and improve our industries both quantitatively and
qualitatively. Globalisation is a wider concept. In the process of globalisation our country asks the foreigners to enter our country by liberalizing its licensing and tariff policy. As the foreign entrepreneurs can come and start industries in India even Indians can go to foreign countries and invest their capita! Tatas and Birlas have started industries in Maleysia, Indonesia, Philippines and Murition. Mafatilal has gone to Indonesia and Nepal. State Bank has branches in foreign countries.

Impact of Globalisation (Realities)

1) Low participation in world trade by developing countries:-
   One of the indicators of a nations integration with the world economy is the participation is the world trade. There has been remarkable increase in world trade. There has been remarkable increase in world trade in recent years. Percentage of trade in goods to the PPP, GDP (ie GDP measured in purchasing price parity) has increased from 22.5% to 27.4% during the period 1989 and 1999. The expansion was much faster in the high income countries, 28.5% to 37.47. But increase in the low income countries was less than 1%. India also has very small properties of trade to GDP. Share of trade in PPP GDP increased from 3.2% to 2.6%. It was lower than the increase in the low and medium income countries and for below the rate of growth of high income countries.

2) Charges in structure of trade - India's share in trade of agriculture products with developed countries declined. These countries are receding of subsidies by WTO while India and other developing countries are rejected on the basis of sanitary and phyto sanitary consideration.

3) Rich countries became richer and poor man poorer-the maximum advantage of the expanding trade regime in the world has accrued to the rich countries. Low and medium income developing countries have to be satisfied with insignificant gains. India has only marginally integrated with world economy.

The vast majority of the worlds wealth is concentrated in the industrialized as 'developed' countries of the world. While the nations of the 'developing world' suffer from wide spread poverty, over population, inadequate educational and health care systems and crippling foreign debt. The disparity between the developed and developing world has widened steadily over the course of the 20th century, and it now the largest it has ever been.

4) Greater reliance on foreign capital from private sources foreign direct investment has become more attractive several measures have been take to attack foreign capital, latest being the removal of cap on foreign ownership in several industries, if DI
increased from US $ 162 million in 1990 to nearly US $ 22 billion in 1999. But China has received approximately US $ 40 billion. More importantly, this is hardly 2% of the gross domestic saving. As in trade, in capital formation also we have to rely basically on our domestic resources.

5) Uneven distribution of world income - According to Robert Wade of the London School of economics, share of world income going to the poorest 10% of the world’s population fell by over a quarter, whenever as the share of the richest 10 percent rose by 8 percent, the 10% pulled away from the median while the poorer 10% fell away from median. In other words, poorer countries and the poor in these countries were left behind in the process of growth. In recent years world has become much more unequal. To quote him Technological charge and financial liberalizations results in the disproportionately fast rise in the number of households at the extreme rich end, without shrinking the distribution at the poor end.

6) Indian scene - Indian government could not make sufficient investment in development of infrastructure late electricity, health or education on time earlier. Today we are lagging behind. We have technologically less efficient industrial infrastructure. We also have missed over the years, vast opportunities of expansion of the industry, trade, output and employment. Even in the field of cotton textile, garments, leather goods, gems and jewellery, light engineering for products, India together occupy a small proportion of the total global exports. India has lost its status as the 10th largest industrial po)\(e/in the world during least decade, over all share of India in global market at prevents amount 07%.

7) Role of WTO - to understand our gains or prices we have paid due to our joining WTO in the name of globalization, it is important to have the historical background of WTO. It was only after 1980 the us agriculture exports faced a steep decline and a view emerged that the decline in the agricultural exports was due to protectionist policies of EEC and Japan that the US stared supporting an agreement which would enable free trade in agricultural commodities. Finally WTO was established by an agreement between IIUS and EEC so called Blan Home Agreement as GATT provisions were found inadequate and unsatisfactory.

AOA is one of the important agreement under the auspices of WTO, the important features of which are the market access without dissemination and discouragement to domestic support and export subsidies. But against expectations there was healthy the rise in the volume of agricultural trade nor the share of the developing countries in the trade since 1995. Intact, the negotiations benefited most of the developed countries and developing countries like India did not gain anything by singing the
agreement. It could not expand in trade in agriculture! commodities with developed countries.

8) Income inequalities in spite of globalization and free markets a good 1/5 the of humanity lives below the poverty line and another one fifth is just floating near or above it. According to a report, the worlds richest men. Bill Gates Warner Buffet and Paul Alien, own assets equivalent to that owned by 600 million in the world 48 leant developed countries.

9) Company closures - Globalisation has rendered many companies and then operations redundant. So neither they are closed (wholly on partly) or are hived off or their ancillary units are declared sick. For example the decision of Hindustan Organic Chemicals to cease its benzene operation has covered closure of many related units. This is turn adversely affects the lives of their employees.

10) Unemployment:- A negative impact of globalization has been widespread unemployment wither due to technological innovations or diversification or relocations or closure of companies, employees had also been retrenched due to cost cutting measures adopted by the employers due to world wide recession.

11) Human right violation :- The supremacy of many states decline and that of corporations rise the capacity of the latter to violate the right? of people or to create conditions in which right become difficult to exercise or protect, has increased tremendously. Against this is not suprising when we receive the reports surfacing MNC's making considerable profits at the cost of people.

Both NIKE and Reebok companies had subcontracted in Asia the production of athletic shoes and soccer balls, among others to firms that operated sweat shops, employed child labour and made them to work in very unsafe working conditions. The Bhopal gas tragedy of December 1984 killing over 8000 people was the worst corporate human rights violation and the MNC involved was none other than the chemical giant union carbide.

11) Environmental risks - chemical patricides and herbicides have created health hazards. Animals were pumped full of hormones and antibiotics which has resulted in disease among them. Such commercial agriculture and arrival raising have proved extremely dangerous to human life. In order to attract foreign investment the government has permitted foreign investor including multinationals to invert in India in a big way. In India chlorine, petro-chemicals, caustic Soda and such other Chemical industries have come up in large number since 1991-92. This has encouraged impact of chemicals polluting the environments. Even drastic cut in ant our duties on chemicals has let to this situation.
12) Loss of traditional jobs - many joint ventures related to fishing activities in 1994 have led to the threat of jobs to many fishermen of India when there companies decide to go for trawlorization of marine fishing.

16.4 PRIVATISATION OF PUBLIC SECTOR

Privatisation means many of the government sectors are sold or given to private individuals hands to run than. Although the public sector enterprises have played an important role in the development of industrial sector of the economy in the planning period, the level of profits in there enterprises have registered substantial losses in some years. Given the fact that the level of investment in there enterprises has been staggering, the returns has been very low. Bimal Jalan, has argued that it is the 'low return on investment in the public sector enterprises that is to a large extent, responsible for the fiscal arsis of the central Government. Serious problem are observed in the form of (a) insufficient growth in productivity, (b) poor project management (c) over manning, (d) lack of continuous technological up gradation (e) inadequate attention to R & D and human resource development. In addition public enterprises have shown a very low rate of return on the capital investment. This has inhibited their ability to regenerate themselves intern of new investments as well as in technology development. The results is that many of the public enterprises have become a burden rather than being an asset to the government. Supporter of privatisation have argued that all problems of the public sector can be tackled effectively if they are handed over to the private sector. They give the following reasons:

a) improvement in efficiency and performance the private sector introduces the profit oriented decision making process in the working of the enterprise leading to improved efficiency and performance. Moreover private ownership establishes a market for managers which improved the quality a managers which improves the quality, of managements.

b) Fixing responsibility is easier - while personnel in the public enterprises cannot be help responsible (or accountable) for any lapse, the areas of reasonability in the private sector are clearly defined. This makes it possible to take people to task in the private sector units for any blunder committed by them.

c) Private units are subject to capital market discipline - performance or cursing fund in capital market in given the highest importance in private sector. With government as owners it is easier for the public sector to get the support of credit or budgetary support in respective of then performance. Thus time in no compulsion for them to perform well.
d) Political interference is unavoidable in public enterprise - due to political interference in crucial decisions operational efficiency cannot be increased. Political decisions have affected the choice of technology resulted in over-staffing or location, inefficient use of inputs and purchase or price preferences for certain suppliers. Most governments also impose non-economic objectives on public enterprises.

e) Succession planning - for many years very PSUs worked without any 'head' therefore nobody was to take the responsibility

f) Response time in the case of private sector is less - private units take on the spot decisions while public sectors consult many people. This delays right decisions at right time. PSUs do not react fast.

g) Privatization leads to better service to customers • the very survival of private sector enterprise depends on customer satisfaction since only then they can grow while public enterprises do not give priority to customers satisfaction their markets always decline.

16. 5 CRITIQUE- IMPACT OF GLOBALLIZATION ON LABOUR

Trade unions in India are generally opposed to all the moves to liberalise and globalize the economy, irrespective of their party lines. They have organized Bharat Bandhs, stakes and other forms of agitations to stall these processes. They oppose these measures for the following reasons

a) Liberalization would lead to excessive retrenchment and lay off.
b) Introduction of new technology would hamper the future employment.
c) The policy of hue and fire would lead to the scenario of fear at the workplace.
d) Public sectors grow the will be checked. Employers have more job security in these sectors.
e) Labour laws which protect the labour will be diluted in the name of flexible labour force.
f) Existing public sector undertaking will be transferred to private sector in the name of privatization.
g) Excessive liberalization would generate wage decline and insecurity.
h) In the absence of government's protection, worker would be at a tremendous disadvantage since demand for labour is far less than the supply of labour.
i) Working of the free market force would increase the wages of management and reduce the wages of workers
j) Inequalities of income and wealth would further increase, k)
Social justice, would be a casualty

1) ‘Human face’ in the organization would be replaced by human brutality.

m) Reduction in public expenditure would put labour at a disadvantage.

The liberalisation has resulted in stunted employment growth, larger mergers of large, medium and small-scale Indian industries with foreign companies, widened fiscal deficits, speedy rise in prices, slower rate of growth of industry, increased inequalities of income and wealth, ignoring the poor of the country, concentrating on luxury consumption through impart and indigenous production and deduction of expenditure on social welfare programmes and education. A large number of workers are affected through closure, retrenchment and layoff. Nearly are lakh workers in public sector alone sought voluntary retirement. Permanent labour is being replaced by contract labour. Governed by the forces of demand and supply of labours they are paid low wages, and no benefits or facilities. Survey have revealed lower wages of the workers in AIR INDIA, Indian Airlines and Airport Authority. There contract workers do not get the benefits of provident fund, gratuity, bonus, leave facilities, canteen, transport medical and uniform facilities.

Policy of line and fine is getting popular protective ring provided through various labour legislation is loosening its grip. Earlier government would not permit the closure, retrenchment or lay off of under the Industrial Disputes Act, 1947 so easily. But now state governments under the tremendous propagandas of new economic policy is permitting it. It was reported that on an average in Punjab 300 workers are retrenched every month. Trade unions have refuted the charge that public sector inefficient therefore workers are against liberalisation Reserve Bank of India report that only 2% of the Indian industries sickness is due to labour problems. And also there are large number of PSUs which are working at 85% to 110% efficiency Trade unions also refuse to accept that such liberalization measures would result in more employment in near future. More and more capital intensive technologies would result in labour surplus.

Almost all the trade Union leaders feel that they can face the onslaught of new economic policy by hang unified central trade union. They have a feeling that under the pressure of IMF and World Bank generated became of the foreign exchange crisis, government is to continue its policy of reforms. Thafall of communist regime and the dependence on limited status has further strengthened it. Central Trade Union have opposed al the direct and indirect attempts to introduce exit policy. The unions have not allowed the government to formally declare the exit policy. Through recent state election they have been successful in telling the government to slow in their reform process shed their pro rich image and spend
more for the welfare of the poor. Though management is always for reforms an they are given entry to public sectors and relief from several government controls, the private managements are also getting critical of the new economic polity. The reasons are :-

a) The increase in the number of sick units of large, medium and small scale industries
b) Takeover by the foreign collaborators and shutting out of the existing Indian managers under 50% equity ownership permission to them.
c) Sever competition from the foreign companies which are for more efficient in their technology and resources.
d) Continuation of several contract to the Indian industry white the foreign companies do not have them.
e) Withdrawal of the protective subsidy structure by the government.
f) High internet rate structure reflecting on their cost and putting them at disadvantage.

The free entry of MNC, especially in the non-private sector hand. The public sector management, on the other hand is joining hands with workers, union so as to fight against the new economic policy. Though the government has also started the rational renewal fund for helping the retrenched labour, and to provide resources for approved employment generation schemes, the gain not much. There are more emphasis on spending on VRS anc less emphasis on retraining and redeployment. It has been reported that the money collected through VRS was squandered by the workers and they had miserable unemployed life with more responsibilities at home. Government has been very slow to change the existing labour laws. It is suggested that it is high time to reconsider the whole issue of globalizaiion, liberalization and privatization.

We should not forget that India as a largest country including other developing countries are the ‘engines’ of growth for the developed countries as the prouder of market and our raw materials developed countries cannot sustain their higher level of progress or even the present standard of living. It is also true that globalization has resulting in developing countries in a jobless growth, cultural growth (unequal growth with rich galaxy richer and poor getting poor) rootless growth (material prosperity without social and cultural generation) and futureless growth (growth at the cost of environmental degradation)

16.6 AUTOMATION - COMPUTERIZATION - NEW TECHNOLOGIES OF INDUSTRIAL REVOLUTION

Globalisation - when business no longer can have a local focus and management now recognizes global fours. It means that the business had global orientation. Due to globalization-
a) the globe has become almost like a village due to the best means of communication. There is no problem of distance for sound and vision due to phenomenal growth of TV, Video and telecommunication.

b) We have increasing technological and managerial abilities to cater to the global market with the help of global brands. Even produce can be located at many countries.

c) We have now developed global attitude in business. Nothing is overseas any more.

Present global business scenario is distinguished by high levels of turbulent changes uncertainty and keen competition. The effect of globalization is briefly outlined below.

**Changes in the world of business**

| a) | Company wide total quality management (T & M) |
| b) | Restructuring and reengineering revolution |
| c) | Planned changes in the management / organization. |
| d) | Shorter product life cycle, shorter product change over cycle, higher rate of new product development, ample scope for creativity and innovation. |
| e) | Product quality integration, interns of zero defect production. |
| f) | Increasing importance of project management, self management, self managed teams holism values and strategic management. |
| g) | Rapid development and increasing use of information technology, including telecommunication and computers. |
| h) | Competitive strategy based on technology educating and training of employees is multiple work. Skills based on values involvement of all personnel is organizational changes, in planning and decision making, break through strategy for problem solving, real participation of workers in management and empowerment of employees with responsibility. |

**Automation** - traditionally, automation has been understood as more replacement of labour by machines- This perception has now changed. Today, automation projects are initiated not just for labour cost savings, but also for improved product quality, fast production and delivery of products and increased product flexibility. Simply stated automation refers to the technique of operating or controlling a productive process by electronic devices and reducing human intervention to the minimum. Human contribution to production comprises two kinds of efforts -physical and mental. The physical aspect i.e. Labour was taken over by machines which came to be increasingly used after the industrial revolution. The mental contribution to production is now taken over by electronic devices, chiefly computers, which are often known as giant brains. With the
advent of automation the second industrial revolution has begun. In a fully automated plant, all the aspects of manufacturing i.e. feed, production, information and control are carried on by computers, supervised by only a few men who glance occasionally at a control panel or sweep the cuttings. However, the extent of automation varies from plant to plant, and depends on the willingness and capacity of the management, co-operation of the workers and their trade unions, and the general economic conditions of the country. 'In the simplest sense' writer Rudell Reed 'automation is nothing more than the extension of the principles of mechanization to the integration of machines, one with another in such a way as to have the group operate as an individual processing and control unit. At the other extreme automation is the application of electronic digital computer control systems, which not only read the individual measurement devices but analyse the data as received from the devices, reach a decision and adjust the control values or motors or proper setting for optimum results. Between there extreme are a number of levels of application of automation technique and principles.

In practice, automation may assume three district farms, namely integration, feedback control and computer technology. Integration involves processes in which the finished product is moved automatically untouched by human hands, from one stage to another, for example, industries handling liquids of gases, powdered goods such as oil and chemical industries. Feedback control is mainly as electronic process by which any even or diversion of the machine from a planned performance is automatically corrected. These controls called 'servo mechanisms' are highly developed in a chemical industries and operate the number of mechanisms involved in these industrial processes. Third, the computer technology, depends on the use of electronically operated machines capable of recording and classifying information and when required, drawing conclusion from their information. Third, the computer technology depends on the use of electronically operated machines capable of recording and classifying information and when required, drawing conclusion from their information.

Advantages and disadvantages of automation
Automate or die is the slogan of many producers all over the world, Increased production and productivity reduced cost, better quality, elimination of wastage and inefficiency etc. there are essential requirement for any owner of an industrial establishment so that he may successfully face competition. Those days are gone when whatever was produced found a ready market, in times to come, only the producers with the best performance will survive and the best performance will be possible only through automation.

Specially the advantage of automation are!
1) **increased output and enhanced productivity automation** results in enhanced productivity and production became it increase the speed of production, eliminates production bottlenecks, reduces dead time (the time when a machine does not work due to lack of such things like cutter fixtures etc.)

2) **improved and uniform quality** - the quality of production is immeasurably improved became the entire production processes, beginning with raw materials and ending with end product, in handled by machines. There is uniformity in the quality of the products - a factor which earns or spoils the customer goodwill.

3) **Reduced cost** - automation results in reduced total cost per unit of output, saving of the cost in factory is mainly due to the virtual elimination of labour.

4) **Dangerous and unpleasant tasks** - the tasks like cutting work on the factory which produces an ear splitting noise, painting which requires the workers to cover their whole face except their eyes, tasks in a machinery plant where oil seeps right through the clothes to the skin etc. are now handled by robots instead of by men. It is predicted that robots will be performing many public and Welfare services with the next few years. There will fight fines, work in garbage dumps, remove dirty water and take the place of nurses in lifting patients out of their beds. The day is not for off when the robot will step outdoors to carry out tasks under dangerous conditions.

**Disadvantages**

1) Heavy capital investment- automation involves higher capital outlay, and therefore the cost of capital increases, depreciation, power consumption etc also increase, automation is therefore a luxury for small firms.

2) **Displacement of labour** - in spite of assurance to the contrary, automation does result in worker replacement and often in management replacement as well. Workers is unionised concerns oppose the move for automation. The LIC wanted to introduce computers in 1965. Trade unions opposed and saw that no LIC workers was retrenched due to automation, through ultimately one compute.' was installed in Mumbai, office and further employment opportunities are lost forever.

3) **Fighter specification** may be needed machines are not flexible as human beiges. Mistakes in design or product cannot be corrected by the machines. Therefore increasing automation will bring demands on suppliers to adhere to specification more rigidly.

4) **Dehumanization** - automation carried to its logical end, dehumanizes the plant and generates a peculiar atmosphere in it. It is three that is offers several advantages. It is also true that an
automated plant can save the management from labour troubles. But it should not be forgotten that the employment of thousands of persons in a single plant carries its own charm and gives a sense of pride and achievement which hundreds of robots or computer comet.

5) Impact on employment in developing countries already in such countries unemployment rate is very high. The introduction of machines will further boost unemployment. Scarcity of foreign exchange, shortage of highly skilled personnel, shortage of capital cannot allow the country to go for 100%. Computerization Automation may be useful to increase production in agriculture and industrial areas but for sometime to come these countries cannot afford to have this luxury selective automation to ensure accuracy, if not speed may be more relevant.

Subcontracting and outsourcing
It is most common to think of skill upgrading as spontaneous technical change due, for example to the discovery and introduction of computers which displace production workers. Many authors like Feenstra and Hauson (1997) compared to the effects of automation in the USA with those of outsourcing to low wage developing countries. They found that the effect on wage dispersion of computerisation is larger by half than that of outsourcing.

There are, however a number of other explanations for spontaneous changes of technique, skill upgrading has been seen as being driven at least in part, by a recent rise in the relative supply of skilled workers. The first of there concerns the Premia Firms pay for good workers. In the early 1970s the proportion of professionally trained workers was low and advanced qualifications were rarely available as an index of quality. Today after 1990s tertiary qualifications have increased greater costs in shedding unsatisfactory workers. It seems natural therefore for them to use tertiary qualifications as a quality & index and to opt for the professionally trained candidates even for routine jobs.

When the firms see advantage in both financial and quality aspects of production by outsourcing many of its components, they always, prefer it. Since it has become very costly to employ highly skilled labour and the firms have to maintain or even increase the quality of many products to keep would market, outsourcing i.e. Subcontracting various parts or stages of production, to small industries which may be in developing countries has been found most beneficial and cost effective. But such industries have to produce quality products with them high tech production technique.

1) Trade competition, when combined with internationally mobile physical capital, affects vertically integrated internationally mobile physical capital, affects vertically integration production processes so as to increase the outsourcing of components. This is form of
interior industry structural change that yields the observed ski; upgrading in all sectors. It provides the appearance of innovation as technical change

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16.7 SUBCONTRACTING AND OUTSOURCING

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With the voluminous rise of services and the corresponding decline of manufacturing in the industrialized economies, there is more demand for manufacturing good in developing countries. Yet the relative prevalence of services firms in the new industrial economy brings with at pressure for organizational change. One of the European style of managing this is the incidence of 'multitasking' in the typical services firm. This makes the central mend wage bargaining prevalent in Europe less efficient, creating pressure for a switch to individual contracts and hence greater wage dispersion.

In India many companies have started subcontracting their products e.g. Parle Gulucobiscuit, Johnson and Johnson, well known Jewellers, Bombay Dyeing, Bata shoe company, many pharmaceutical firms which outsource their parts or components and after carefully supervising their qualities, market those products
under their trade marks. Such subcontracting to smaller firms reduces the labour costs by not employing skilled workers in the factors. As such the competition with MNCs or foreign manufacture is very tough and market is uncertain, it is absolutely necessary to raise the level of productivity and quality of goods. If the present labour structure is unable to produce the desired output, it has to changed and technological change has to be brought in. Business process outsourcing is treated to be one of the biggest job opportunities is the Indian market an a part of the IT enabled services. In a fast changing business environment prevailing in the world today, many large companies no longer want to get involved in doing jobs that are routine and administration. This trend is giving rise to a big industry today what is called Business Process Outsourcing (B P O)

B P O - means delegating back end administrative functions that are necessary to runner business but do not directly generate any revenue. Companies all over the world are increasingly outsourcing their routine and administrative function. There include a whole large of functions like data entry, data conversion and processing, insurance claims processing, document management, billing services, accounting, resulting, payroll services, credit and debit card services, logistics management, sales administration travel management and data research.

It (infarction technology) is the first field which started outsourcing on the large scale. East man Kodak turned over the bulk of its IT operations to three external partners, helping to ignite the outsourcing industries. Over the next 20 years this practice became pervasive. Gnomonic in certainty and the accelerating pace of change say Mazzawi - a consultant at cap Gens, are driving companies towards transformational outsourcing partnership. Under traditional outsourcing performance improvement is operational rather the strategic in nature doing the same thing a better, faster or cheaper. But typically there is no scope for change. Transformational outsourcing changes the whole business. Earlier non essential services activities like payroll, processing or security were given to outside agencies. But now according to Jim Jackson and Jim Laseter, the more important activities like manufacturing or logistics can also be transferred.

16.8 DOWN SIZING AND ITS IMPACT

Exit policy - the proposal to introduce an exit policy was first mooted in September 1991 when it was started that without labour market flexibility efficient industrialization would be difficult to achieve. The world Bank and the IMF have been resisting for quite sometime that the government should introduce labour market reframes to allow employees shift workersfrom one unit to another and also retirement excess labour. It is the danger of retirement that is
causing worry to the working class.

Under the guise of improving the competitive strength of our experts and introducing competitive environment in the Indian domestic market, the new economic policy has open up the doers to MNCs. A large number of collaborating with foreign companies have been entered diving the last few years. MNCs are also amusing control over a number of Indian companies. There tendencies are found to have serious implicating for the workers on MNCs employ capital intensive technology with automatic machine the production process in a unit can be carried on with a handful of workers and this can lead to the downsizing of the unit i.e. shrinking of the size of workers: The danger sign bare already there for everyone to see. A large number of companies have already irritated VRS Voluntary Retirement Schemes) at their various units. While some companies have imitated VRS to overcome losses by turning 'lean and fit' some companies have adopted it to improve their margins of profits at the cost of workers. Because of the increasing threat from foreign competition. The domestic companies are now forming more on care competency and len on diversification. They are, accordingly, trying to pull out unrelated and unprofitable business. VRS in also adopted by companies when they farm strategic alliances with other companies or there is a takeover. Helpers workers are the victims of the process of consolidation, restricting mergers, acquisition and amalgamations sector presently. The government policy has been to make the task of retrenchment of workers easier.

16.9 IMPACT ON TRADE UNIONS

Trade unions in India played a phenomenal role in protecting the interests of the workers even by controlling and regulating the management at the cost of the organization. But trade unions now play an important role by co-operating with the management as the survival of the organization under competitive environment would be at state. Trade unions role fighting with the management in order to protect the interests of workers would be changed on most of the employment condition would be determined by market forces rather than by the political and all membership strength of the trade unions. Further the government would support management rather than trade union unlike in the part, as currently government's objective is to attains rapid income 'development. Hence, the liberalisation would not guarantee the same role and importance for the trade union in India.

Trade union in India resisted the implantation of economic liberalization as they do not generally favour multinationals getting free access into the Indian industrial field do favour the growth of small-scale sector, oppose privatization of public enterprises and do not want to close the sick units. But they could not respond
adequately and effectively to the rapid fall out in employment and salaries. Market forces compel the management to take unilateral decisions to solve the problem of labour insert all to reduce the burden of labour. Technological and other changes for modernizing and/or restricting enterprises can be introduced to overcome crisis and to withstand competitive pressures. Most of the private sectors organizations have been seeking to promote labour management co-operative through consultation rather than collective bargaining, Hence the collective bargaining machines would not enjoy the same privilege under liberalized economy.

16.10 VOLUNTARY RETIREMENT SCHEMES (VRS)

In order to increase profitability, many management decided to shrink the size of their organization. This is called downsizing. For this They adopted various exit policies. Under the exist polity, the government has allowed business and industrial establishment, to reduce them excess staff and employees. The reduction of excess staff is a result of rest metering of organization , due to modernizing applying new technology and new methods of operation, so that the industrial organization could operate economically and withstand the competition with companies organization which have occupied foreign collaboration, innovative methods, and technology up gradation rendering some employee surplus.

Since the procedure under Industrial Disputes Act 1947, retrenching involves lot of legal handles and complex system, the government authorized schemes of voluntary retirement of employees offer suitable voluntary retirement benefits and give some tax relief under the guidelines issued by the government and income fax authorities. Public sector units were giving jobs to million of people but not many of them are not cost effective. The .trade unions have been opposing retrenchment under the existing labour laws. The government therefore found a solution to the problem of surplus staff by allowing voluntary retirement both is private and public units. The workers is industrial units have become surplus due to a) existing level of technology b) will become surplus with adopting of well technologies and technological up gradation.

The industrial disputes act 1947, as it is existing, puts restriction on employees in the matter of reducing excess staff by retrenchment by closure of establishment. The unions strongly oppose any plans of retrenchment and reduction of staff and workforce. The government had taken a decision to amend the labour laws, whereby the employees could him to labour force legally after complying with the conditions of labour laws. But for some reasons government would not do so. However a way was found by allowing employees including those in the government units, to offer voluntary retirement schemes to off load the surplus manpower.
The URS schemes were not opposed by the unions became the very nature of its being voluntary and not using any compulsion.

URS has been found have not complication. This involves voluntary separation, of employees who are above the age of 40 years or have served the company for minimum 10 years. The company may offer different separation benefits to employees is different age groups subject to overall benefits including tax exemption however have to obtain prior permission from the government before launching any such programmes. The reason for proposing RS

1. Recession in business.
2. Intense competition which make the establishment of invariable unless downsizing is resorted to.
3. Charges in technology, production process innovation, new product line.
4. Realignment of business due to market condition
5. Joint ventures with foreign collaboration
6. Takeover and mergers
7. Business reengineering process
8. Product / technology has become old procedure for URS the employer has to circulate his offer of URS mentioning there is
   a) The reason far downsizing.
   b) Eligibility i.e. who are eligible for voluntary retirement.
   c) The age limit and the minimum service period of employees who can apply.

The benefits that we offered. The provident fund. Gratuity fund. Salary for balance of privilege leave up to the date of their retirement, besides the UR benefits

The right of an employees to accept or reject any application for voluntary retirement.

The date up to which the scheme is open and application or received for consideration.

The circular may indicate income tax benefits on any voluntary retirement benefits which are in excess of Rs. 5 lakhs which is maximum for tax benefits

It should also be mentioned that those who accept URs and benefits under it, shall not be eligible in future for employment in the establishment.

Awarding to the studies conducted on URs and their impact on employees and employees it was observed that after URs many people squandered the money they had got is as part of the retirement package. Some dent it at high interest rates. Some
bought houses which had to sell afterwards. Some committed suicide after their children deserted then. Some others have turned alcohol's. It was noticed that the rate of anti departments in Mumbai has gone up. On the brighter side, there are people who restricted and reorganized their lives. Some started business on their own, some, others became outsourcing partners of their farmer companies.

It is necessary to counsel there people who take VRs. Essentially URs is neither voluntary nor retirement but a retrenchment scheme. Many employees are made is separate from the organization in order to increase efficiency. The union leaders donot accept VRS Schemes. They say that management consider VRS as a means to boost profitability. For them if is unacceptable. It leach to sten away workers, there are companies which scrap department. And go for subcontracting. Also is the name of setting up a new units. Some managements close down many others and for people.

16.11 SUMMARY

Globalisation, liberalization and privatization had affected the economic policies of India. The new economic policy had set the direction founds entry of MNC, disinvestment foreign direct, investment, privatization and more liberal economy. Computerization, subcontracting outsourcing and down sourcing all have affected the growth of industries and labour and there is large scale retrenchment of worker with no jobs at hands.

16.12 Check your Progress:-

1. Describe industrial policy of India.
2. Globalisation is the need of time. Discuss.
3. Elaborate public sector is still continuing.
5. What is privatisation.
6. Discuss impact of globalisation on labour.
7. State advantage of automation.
8. Discuss subcontracting and outsourcing.
9. jinnovation leads to technical change. Explain.
10. What do you mean by downsizing?

16.13 REFERENCES

16.14 QUESTIONS

1. Discuss the impact of liberalization on employment and labour structure.
2. Explain briefly effects of globalization on labour.
3. Write a note on critique of globalization.
4. What is exist policy? Discuss VRS in detail.
5. What do you mean by computerization or automation? Discuss its impact on modern economic activities on labour.

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SYLLABUS
PAPER - V
SOCIOLOGY OF WORK

Objectives

a) To acquaint the student with the social dynamics in the world of work both urban and rural.
b) To help the learner understand the complexities of the Indian working environment
c) To provide an insight into the challenges faced by the worker and the approaches available to help workers

1. Nature and Scope of Sociology of Work 18 lectures
   • Important Concepts: Work, Industry and Entrepreneurship
   • Processes: Characteristics and Critique
     a) Rise of industry
     b) Industrialisation
     c) Industrialism
     d) Post-Industrialism and knowledge Society

2. Perspective on Motivation and Management 17 lectures
   • Theories of Motivation
     a) Theory X and Theory Y
     b) Herzberg
     c) McClelland and Vroom
     d) Maslow
   • Theories of Management
     a) Scientific Management
     b) Human Relations

3. Organization of Work 10 lectures
   • Workers in the Formal Sector: types, Characteristics, Problems.
   • Workers in the Informal Sector: Rise and Growth, Characteristics, Problems and Social Security.

4. Rural Workers: Issues 10 lectures
   • Present position of agricultural labour
   • Indebtedness and Farmers Suicide

5. Children at work 10 lectures
6. Management - Employee Relations 10 lectures

- Characteristics of Industrial Relations and Employee Relations
- Managing Industrial Relations
  a) Traditional Approach: Collective Bargaining and Trade Unions

7. Current trends:
Liberalisation, Privatisation and Globalization 10 lectures

Impact with reference to
- Exit Policy: VRS
- Outsourcing: Knowledge Process Outsourcing and Business, Process Outsourcing

**READING LIST**

- Aswathapa.K. (2005), Human Resource and Personnel Management, Mcgraw Hill. New Delhi ,


- Schneider E. V. 1983 Industrial Sociology, Mcgraw Hill, New Delhi


- Articles and Journals

- Oill A, Singh L. Farmers Suicides and Response to public policy, Evidence Diagnosis and Alternatives from Punjab, EPW 30 June, 2006 pp 2762-2768.

- Mishta S, Farmers Suicides in Maharashtra, EPW April 22nd, 200fi pp 1538 - 1545.


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N.B. : (1) Attempt any five questions.
(2) All questions carry equal marks.

1. With reference to Sociology of Work, explain the following concepts :-
   (a) Work Behaviour (b) Attributes, behaviour and skills of an Entrepreneur.

2. Examine; the preconditions and consequences of Industrialization process.

3. Define Motivation. Discuss the following theories of motivation :-
   (a) Maslow's theory of Self Actualization
   (b) Theory 'X' and Theory 'Y'.

4. Examine the significance of Human Relations in Management, highlighting its important features.

5. Explain the characteristics and problems of the Informal Sector.

6. Discuss the present position of Agricultural Labour with reference to the problems of patents in Agriculture.

7. (a) Outline the features and significance of Industrial Relations.
    (b) Briefly explain the Machineries for the settlement of Industrial Disputes.

8. Explain the characteristics and importance of Human Resource Management.

9. Analyse the impact of Globalisation with reference to KPO's and BPO's.

10. Write short notes on any two of the following :-
    (a) Daniel Bell's concept of Post Industrialism
    (b) Small Scale and Cottage Industries
    (c) Problems and Solutions of Child Labour
    (d) Exit Policy.
N.B. : (1) Attempt any five questions.
(2) All questions carry equal marks. (20 each)

1. There is a "widely prevalent belief among intellectuals that the Indian village is timeless and unchanging." Critically discuss this from any four of the following perspectives : (a) Caste identity and caste system (b) Farmer's Movements (c) Marginalization of Owner-cultivator (d) Rural Non Farm employment (e) Rural-urban nexus.

2. What is caste ? What is its relationship to the Jajmani system ? Is caste still a contentious, conflict ridden issue in contemporary India ?

3. What were the main reasons for the implementation of land reforms after independence ? Discuss the impact of tenancy reforms. Is there a case for a gender sensitive land reform policy ?

4. What was the historical background to the Panchayati Raj Act ? Discuss the role played by caste based movements to democratize rural governance?

5. Briefly discuss the success of the (a) Community Development Programme, (b) Poverty alleviation schemes and (c) the Green Revolution.

6. How can cooperatives help in the development of rural society ? Discuss this with the help of either a Milk Co-operative or the attempt to establish an Ideal Village.

7. NGOs enable rural populaces to help themselves. Discuss this with the help of any one NGO case study.

8. Patents cause harm to Rural Societies. How true is this statement ?

9. Special Economic Zones are a powerful means to develop the Indian economy. Discuss this in the context of rural society.

10. Write short notes on any two of the following :-
(a) Dominant Caste
(b) Mahalwari and Jagirdari land tenure systems
(c) Women's Co-operative
(d) 73rd Amendment.