

CHAPTER - 5

CONTEMPORARY ISSUES IN ORGANIZATION MANAGEMENT

HUMAN RESOURCE MANAGEMENT:

☑ MEANING HUMAN RESOURCE MANAGEMENT:

Human Resource Management is a function within an organization which focuses mainly on the recruitment of, management of, and providing guidelines to the manpower in a company. It is a function of the company or organization which deals with concerns that are related to the staff of the company in terms of hiring, compensation, performance, safety, wellness, benefits, motivation and training.

Human Resource Management is also a premeditated approach to manage people and the work culture. An efficient human resource management enables the workforce of an organization to contribute efficiently and effectively towards the overall achievement of a company's goals and objectives.

The traditional method of human resource management involved planned exploitation of staffs. This new function of human resource management involves HRM Metrics and measurements and strategic direction to display value. Under the influence of giving away the traditional method, HRM has got a new terminology called Talent Management.

Human Resource Management functions can be of three types like Operative, Managerial, and advisory. Let's see them one by one.

☑ FUNCTIONS OF HUMAN RESOURCE MANAGEMENT:

A. OPERATIVE FUNCTIONS:

1. Recruitment:

This is the most challenging task for any HR manager. A lot of attention and resources are required to draw, employ and hold the prospective employees. A lot of elements go into this function of recruitment, like developing a job description, publishing the job posting, sourcing the prospective candidates, interviewing, and salary negotiations and making the job offer.

2. Training and Development:

On the job training is the responsibility of the HR department. Fresher training may also be provided by some companies for both new hires and existing employees. This Fresher training is mainly done to make the employees up to date in their respective areas as required by the company. This function makes the employees understand the process and makes it easy for them to get on their jobs with much ease. During the process of the training and development, the results are monitored and measured to find out if the employees require any new skills in addition to what he/she has.

3. Professional Development:

This is a very important function of Human Resource Management. This function helps the employees with opportunity for growth, education, and management training. The organization undertakes to sponsor their employees for various seminars, trade shows, and corporal responsibilities. This, in turn, makes the employees feel that they have been taken care by their superiors and also the organization.

4. Compensation and Benefits:

A company can attain its goals and objectives if it can acclimatize to new ways of providing benefits to the employees. Some of the benefits given by companies are listed below for our understanding:

- Working hour flexibility
- Extended vacation
- Dental/Medical Insurance
- Maternal/Paternal Leave
- Education Reimbursement for children

5. Performance Appraisal:

The employees of any organization will be evaluated by the HR department as per the performance. This function of Human Resource Management is to help the organization in finding out if the employee they have hired is moving towards the goals and objectives of the organization. On the other hand, it also helps the company to evaluate whether the employees needs improvement in other areas. It also helps the HR team in drawing certain development plans for those employees who have not met the minimal requirements of the job.

6. Ensuring Legal Compliance:

To protect the organization this function plays a crucial role. The HR department of every organization should be aware of all the laws and policies that relate to employment, working conditions, working hours, overtime, minimum wage, tax allowances etc. Compliance with such laws is very much required for the existence of an organization.

B. MANAGERIAL FUNCTIONS:

1. Planning:

This function is very vital to set goals and objectives of an organization. The policies and procedures are laid down to achieve these goals. When it comes to planning the first thing is to foresee vacancies, set the job requirements and decide the recruitment sources. For every job group, a demand and supply forecast is to be made, this requires an HR manager to be aware of both job market and strategic goals of the company. Shortage versus the excess of employees for that given job category is determined for a given period. In the end, a plan is ascertained to eliminate this shortage of employees.

2. Organizing:

The next major managerial function is to develop and design the structure of the organization. It fundamentally includes the following:

- Employees are grouped into positions or activities they will be performing.
- Allocate different functions to different persons.
- Delegate authority as per the tasks and responsibilities that are assigned.

3. Directing:

This function is preordained to inspire and direct the employees to achieve the goals. This can be attained by having in place a proper planning of career of employees, various motivational methods and having friendly relations with the manpower. This is a great challenge to any HR manager of an organization; he/she should have the capability of finding employee needs and ways to satisfy them. Motivation will be a continuous process here as new needs may come forward as the old ones get fulfilled.

4. Controlling:

This is concerned with the apprehension of activities as per plans, which was formulated on the basis of goals of the company. The controlling function ends the cycle and again prompts for planning. Here the HR Manager makes an examination of outcome achieved with the standards that were set in the planning stage to see if there are any deviations from the set standards. Hence any deviation can be corrected on the next cycle.

C. ADVISORY FUNCTIONS:

1. Top Management Advice:

HR Manager is a specialist in Human Resource Management functions. She/he can advise the top management in formulating policies and procedures. He/she can also recommend the top management for the appraisal of manpower which they feel apt. This function also involves advice regarding maintaining high-quality human relations and far above the ground employee morale.

2. Departmental Head advice:

Under this function, he/she advises the heads of various departments on policies related to job design, job description, recruitment, selection, appraisals.

☒ JOB ANALYSIS:

Job Analysis in layman's language means the procedure of gathering information about a job. Job Analysis is a method of collecting and studying about the information related to a particular job. It includes the operations and tasks of a specific job. Another meaning of Job analysis is a complete examination of activities in a job. It can be considered a technical procedure that can be used to classify the duties and responsibilities of a job. It can also be defined as a group of tasks which can be performed by a lone employee towards the production of some services or products of an organization. If we take it in a specific manner, Job Analysis involves the below steps:

- Recording and collecting the information related to a job.
- To check the accuracy of the job information.
- Note down the Job Description as per the data gathered.
- Use the data to determine the skills and knowledge that is required for a particular job.
- Updating the gathered information from time to time.

This process involves two sets of information:

1. JOB DESCRIPTION:

This is a very vital document which is usually explanatory in nature. It consists of both organizational as well as functional information. It provides information as to the scope of activities, position of the job and the responsibilities. It gives the employees a very clear picture of what is required of him to meet the goals of his job. A good Job Description must consist of the following:

- It should include the nature and scope of the job along with accountability.
- A good Job Description should be lucid about the position, responsibilities and duties.
- The complexity of the job.
- The amount of skills required for that particular job.
- How far are the problems consistent?
- The level of responsibility the worker has for each stage of work.

Contents of Job Description:

Usually the Job Description consists of the following:

Job Classification:

This includes title of the job, alternate title if any, job code, division or department etc. The title of the job designates the job properly and division or department indicates which department and location does the employee work.

Job Summary:

It serves two purposes here; one is that when the Job Title is not sufficient it gives additional information on the job. Secondly it gives more descriptive information about the particular job.

Duties and Responsibilities:

This lists out the entire duties and responsibilities of a particular job. Sometimes duties and responsibilities are also listed for particular skills and their incidence of occurrence.

Relation To Other Jobs:

This gives the employees a fair amount of picture as to the hierarchy of the position. Like to whom they are reporting: senior, junior, etc.

2. JOB SPECIFICATION:

Job Specification converts the job description to qualifications that are required for, in performing the job. This is usually a statement which consists of qualification, characteristics,

traits etc., for an employee to possess to perform his duties. The first thing here is to prepare a directory of all jobs and then the next step is to make a write up of each and every job.

Contents of Job Specification:

The following are the contents of Job Specification:

✚ Physical Qualifications:

These qualifications or specifications vary from job to job. Physical Qualifications are nothing but the capabilities of employees. These include height, weight, hearing, vision, capacity to handle machines etc.

✚ Mental Qualifications:

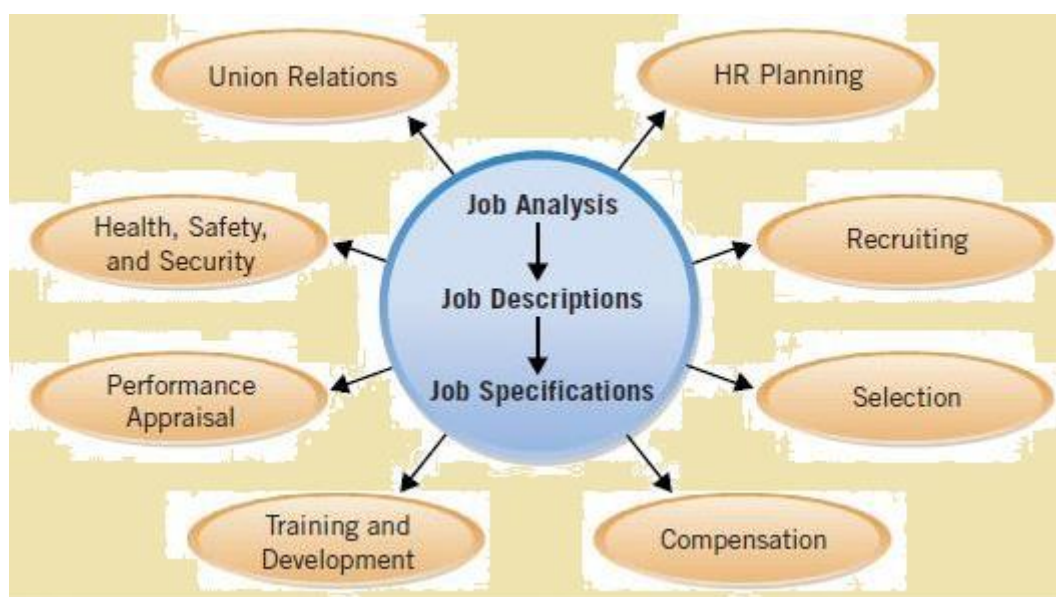
This includes the ability to interpret data, calculations, planning, general knowledge, judgment, memory etc.

✚ Social and Emotional specifications:

This is vital for the role of Managers and Supervisors. It includes emotional constancy and elasticity. It also includes the way they dress, personality and relationship.

✚ Behavioral Qualifications:

This qualification is very important in selecting employees for higher levels of management. This specification asks to depict the acts of the managers rather than traits which cause those acts. This includes creativity, research, maturity level, dominance etc.



METHODS OF JOB ANALYSIS:

The most general Job Analysis methods are discussed below:

1. Observation Method:

In this method the job analyst observes the employees work and records all the tasks that are performed and also those that are not performed. This may seem to be an easy method of job analysis, but it is the most difficult one. The main reason being that every person has a different

way of observing things, which might involve personal bias, likes and dislikes which will not give the desired results.

2. Interview Method:

In this method the manpower is interviewed. The employee under this method comes up with different ideas towards their working style, problems faced by them and uncertainties or insecurities faced by them. It helps the organization in knowing exactly what the employees are thinking about their jobs. This helps in minimizing errors as not only one employee is interviewed, but everyone in the organization is interviewed.

3. Questionnaire Method:

This is another common method of Job Analysis, which uses a questionnaire to be filled by the employees. Care should be taken while framing questions for this, because this method also suffers from bias by the superiors. It is always better if the staff is communicated in a better way to make them understand that the data collected is for their own good. Here different types of questionnaires are prepared for different grades which is also time consuming.

☑ RECRUITMENT:

Recruitment is a positive process of searching for prospective employees and stimulating them to apply for the jobs in the organization. When more persons apply for jobs then there will be a scope for recruiting better persons.

The job-seekers too, on the other hand, are in search of organizations offering them employment. Recruitment is a linkage activity bringing together those with jobs and those seeking jobs. In simple words, the term recruitment refers to discovering the source from where potential employees may be selected. The scientific recruitment process leads to higher productivity, better wages, high morale, reduction in labor turnover and enhanced reputation. It stimulates people to apply for jobs; hence it is a positive process.

Recruitment is concerned with reaching out, attracting, and ensuring a supply of qualified personnel and making out selection of requisite manpower both in their quantitative and qualitative aspect. It is the development and maintenance of adequate man- power resources. This is the first stage of the process of selection and is completed with placement.

According to Edwin B. Flippo, *"It is a process of searching for prospective employees and stimulating and encouraging them to apply for jobs in an organization."* He further elaborates it, terming it both negative and positive. He says, *"It is often termed positive in that it stimulates people to apply for jobs, to increase the hiring ratio, i.e. the number of applicants for a job. Selection, on the other hand, tends to be negative because it rejects a good number of those who apply, leaving only the best to be hired."*

RECRUITMENT PROCESS PASSES THROUGH THE FOLLOWING STAGES:

1. Searching out the sources from where required persons will be available for recruitment. If young managers are to be recruited then institutions imparting instructions in business administration will be the best source.

2. Developing the techniques to attract the suitable candidates. The goodwill and reputation of an organization in the market may be one method. The publicity about the company being a professional employer may also assist in stimulating candidates to apply.
3. Using of good techniques to attract prospective candidates. There may be offers of attractive salaries, proper facilities for development, etc.
4. The next stage in this process is to stimulate as many candidates as possible to apply for jobs. In order to select a best person, there is a need to attract more candidates.

FACTORS INFLUENCING RECRUITMENT:

All enterprises, big or small, have to engage themselves in recruitment of persons. A number of factors influence this process.

1. Size of the Enterprise:

The number of persons to be recruited will depend upon the size of an enterprise. A big enterprise requires more persons at regular intervals while a small undertaking employs only a few employees. A big business house will always be in touch with sources of supply and shall try to attract more and more persons for making a proper selection. It can afford to spend more amounts in locating prospective candidates. So the size of an enterprise will affect the process of recruitment.

2. Employment Conditions:

The employment conditions in an economy greatly affect recruitment process. In under-developed economies, employment opportunities are limited and there is no dearth of prospective candidates. At the same time suitable candidates may not be available because of lack of educational and technical facilities. If the availability of persons is more, then selection from large number becomes easy. On the other hand, if there is a shortage of qualified technical persons, then it will be difficult to locate suitable persons.

3. Salary Structure and Working Conditions:

The wages offered and working conditions prevailing in an enterprise greatly influence the availability of personnel. If higher wages are paid as compared to similar concerns, the enterprise will not face any difficulty in making recruitments. An organization offering low wages can face the problem of labor turnover.

The working conditions in an enterprise will determine job satisfaction of employees. An enterprise offering good working conditions like proper sanitation, lighting, ventilation, etc. would give more job satisfaction to employees and they may not leave their present job. On the other hand, if employees leave the jobs due to unsatisfactory working conditions, it will lead to fresh recruitment of new persons.

4. Rate of Growth:

The growth rate of an enterprise also affects recruitment process. An expanding concern will require regular employment of new employees. There will also be promotions of existing employees necessitating the filling up of those vacancies. A stagnant enterprise can recruit persons only when present incumbent vacates his position on retirement, etc.

☑ **PROMOTION:**

“Promotion is advancement of an employee to a better job- better in terms of greater responsibility, more prestige or status, greater skills and especially increased rate of pay or salary.” “The upward reassignment of an individual in an organizational hierarchy, accompanied by increased responsibilities, enhanced status and usually with increased income though not always so.”

Promotion is the reassignment of a higher level job to an internal employee with delegation of responsibilities and authority required to perform that higher job and normally with higher pay. Thus, the main conditions of promotion are:

- ✚ Reassignment of higher level job to an employee than what he is presently performing.
- ✚ The employee will naturally be delegated with greater responsibility and authority than what he has had earlier.
- ✚ Promotion normally accompanies higher pay.

PURPOSE OF PROMOTION:

Organizations promote the employee with a view to achieve the following purposes:

- ✚ To utilize the employee's skills, knowledge at the appropriate level in the organizational hierarchy resulting in organizational effectiveness and employee satisfaction.
- ✚ To develop competent spirit and inculcate the zeal in the employees to acquire the skills, knowledge etc. required by higher level jobs.
- ✚ To develop competent internal source of employees ready to take up jobs at higher level in the changing environment.
- ✚ To promote employee's self-development and make them await their turn of promotions. It reduces labor turnover.
- ✚ To promote a feeling of content with the existing conditions of the company and a sense of belongingness.
- ✚ To promote interest in training, development programmers and in team development areas.
- ✚ To build loyalty and to boost morale.
- ✚ To reward committed and loyal employees.
- ✚ To get rid of the problems created by the leader of workers' unions by promoting them to the officer' levels where they are less effective in creating problems.

TYPES OF PROMOTION:

As already noted, a promotion involves an increase in status, responsibilities and pay. But, in certain cases, only the pay increases, and the other elements remain stagnant. In other cases, the status only increases without a corresponding increase in pay or responsibilities. Depending on which elements increase and which remain stagnant, promotions may be classified into the following types:

1. Horizontal Promotion:

This type of promotion involves an increase in responsibilities and pay, and a change in designation. But the employee concerned does not transgress the job classification. For example,

a lower division clerk is promoted as an upper division clerk. This type of promotion is referred to as upgrading' the position of an employee.

2. Vertical Promotion:




This type of promotion results in greater responsibility, prestige and pay, together with a change in the nature of the job. A promotion is vertical when a canteen employee is promoted to an unskilled job. The concerned employee naturally transgresses the job classification.

3. Dry Promotions:








Dry promotions are sometimes given in lieu of increases in remuneration. Designations are different but no change in responsibilities. The promote may be given one or two annual increments.

☑ PERFORMANCE APPRAISAL:

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

-  The supervisors measure the pay of employees and compare it with targets and plans.
-  The supervisor analyses the factors behind work performances of employees.
-  The employers are in position to guide the employees for a better performance.

OBJECTIVES OF PERFORMANCE APPRAISAL:

-  To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.
-  To identify the strengths and weaknesses of employees to place right men on right job.
-  To maintain and assess the potential present in a person for further growth and development.
-  To provide a feedback to employees regarding their performance and related status.
-  To provide a feedback to employees regarding their performance and related status.
-  It serves as a basis for influencing working habits of the employees.
-  To review and retain the promotional and other training programs.

ADVANTAGES OF PERFORMANCE APPRAISAL:

It is said that performance appraisal is an investment for the company which can be justified by following advantages:

1. Promotion:

Performance Appraisal helps the supervisors to chalk out the promotion programs for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.

2. Compensation:

Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which includes bonus, high salary rates, extra benefits,

allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority.

3. Employees Development:

The systematic procedure of performance appraisal helps the supervisors to frame training policies and programs. It helps to analyses strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development programs.

4. Selection Validation:

Performance Appraisal helps the supervisors to understand the validity and importance of the selection procedure. The supervisors come to know the validity and thereby the strengths and weaknesses of selection procedure. Future changes in selection methods can be made in this regard.

5. Communication:

For an organization, effective communication between employees and employers is very important. Through performance appraisal, communication can be sought for in the following ways:

- ✚ Through performance appraisal, the employers can understand and accept skills of subordinates.
- ✚ The subordinates can also understand and create a trust and confidence in superiors.
- ✚ It also helps in maintaining cordial and congenial labor management relationship.
- ✚ It develops the spirit of work and boosts the morale of employees.

6. Motivation:

Performance appraisal serves as a motivation tool. Through evaluating performance of employees, a person's efficiency can be determined if the targets are achieved. This very well motivates a person for better job and helps him to improve his performance in the future.

TECHNIQUES / METHODS OF PERFORMANCE APPRAISALS:

Numerous methods have been devised to measure the quantity and quality of performance appraisals. Each of the methods is effective for some purposes for some organizations only. None should be dismissed or accepted as appropriate except as they relate to the particular needs of the organization or an employee.

Broadly all methods of appraisals can be divided into two different categories.

Past Oriented Methods:

1. Rating Scales:

Rating scales consists of several numerical scales representing job related performance criterions such as dependability, initiative, output, attendance, attitude etc. Each scales ranges from excellent to poor. The total numerical scores are computed and final conclusions are derived.

- Advantages: Adaptability, easy to use, low cost, every type of job can be evaluated, large number of employees covered, no formal training required.
- Disadvantages: Rater's bias

2. Checklist:

Under this method, checklist of statements of traits of employee in the form of Yes or No based questions is prepared. Here the rater only does the reporting or checking and HR department does the actual evaluation.

- Advantages: economy, ease of administration, limited training required, standardization.
- Disadvantages: Raters biases, use of improper weights by HR, does not allow rater to give relative ratings

3. Forced Choice Method:

The series of statements arranged in the blocks of two or more are given and the rater indicates which statement is true or false. The rater is forced to make a choice. HR department does actual assessment.

- Advantages: Absence of personal biases because of forced choice.
- Disadvantages: Statements may be wrongly framed.

4. Forced Distribution Method:

Here employees are clustered around a high point on a rating scale. Rater is compelled to distribute the employees on all points on the scale. It is assumed that the performance is conformed to normal distribution.

- Advantages: Eliminates
- Disadvantages: Assumption of normal distribution, unrealistic, errors of central tendency.

5. Critical Incidents Method:

The approach is focused on certain critical behaviors of employee that makes all the difference in the performance. Supervisors as and when they occur record such incidents.

- Advantages: Evaluations are based on actual job behaviors, ratings are supported by descriptions, feedback is easy, reduces regency biases, chances of subordinate improvement are high.
- Disadvantages: Negative incidents can be prioritized, forgetting incidents, overly close supervision; feedback may be too much and may appear to be punishment.

6. Behaviorally Anchored Rating Scales:

Statements of effective and ineffective behaviors determine the points. They are said to be behaviorally anchored. The rater is supposed to say, which behavior describes the employee performance.

- Advantages: helps overcome rating errors.

- Disadvantages: Suffers from distortions inherent in most rating techniques.

7. Field Review Method:

This is an appraisal done by someone outside employees' own department usually from corporate or HR department.

- Advantages: Useful for managerial level promotions, when comparable information is needed,
- Disadvantages: Outsider is generally not familiar with employees work environment, Observation of actual behaviors not possible.

8. Performance Tests & Observations:

This is based on the test of knowledge or skills. The tests may be written or an actual presentation of skills. Tests must be reliable and validated to be useful.

- Advantages: Tests may be apt to measure potential more than actual performance.
- Disadvantages: Tests may suffer if costs of test development or administration are high.

9. Confidential Records:

Mostly used by government departments, however its application in industry is not ruled out. Here the report is given in the form of Annual Confidentiality Report (ACR) and may record ratings with respect to following items; attendance, self-expression, team work, leadership, initiative, technical ability, reasoning ability, originality and resourcefulness etc. The system is highly secretive and confidential. Feedback to the assessee is given only in case of an adverse entry.

- Disadvantage is that it is highly subjective and ratings can be manipulated because the evaluations are linked to HR actions like promotions etc.

10. Essay Method:

In this method the rater writes down the employee description in detail within a number of broad categories like, overall impression of performance, promote ability of employee, existing capabilities and qualifications of performing jobs, strengths and weaknesses and training needs of the employee.

- Advantage: It is extremely useful in filling information gaps about the employees that often occur in a better-structured checklist.
- Disadvantages: It is highly dependent upon the writing skills of rater and most of them are not good writers. They may get confused success depends on the memory power of raters.

11. Cost Accounting Method:

Here performance is evaluated from the monetary returns yields to his or her organization. Cost to keep employee, and benefit the organization derives is ascertained. Hence it is more dependent upon cost and benefit analysis.

12. Comparative Evaluation Method (Ranking & Paired Comparisons):

These are collection of different methods that compare performance with that of other co-workers. The usual techniques used may be ranking methods and paired comparison method.

- **Ranking Methods:** Superior ranks his worker based on merit, from best to worst. However how best and why best are not elaborated in this method. It is easy to administer and explanation.
- **Paired Comparison Methods:** In this method each employee is rated with another employee in the form of pairs. The number of comparisons may be calculated with the help of a formula as under: $N \times (N-1) / 2$

Future Oriented Methods:

1. Management By Objectives:

It means management by objectives and the performance is rated against the achievement of objectives stated by the management. MBO process goes as under.

- Establish goals and desired outcomes for each subordinate
 - Setting performance standards
 - Comparison of actual goals with goals attained by the employee
 - Establish new goals and new strategies for goals not achieved in previous year.
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- Advantage: It is more useful for managerial positions.
 - Disadvantages: Not applicable to all jobs, allocation of merit pay may result in setting short-term goals rather than important and long-term goals etc.

2. Psychological Appraisals:

These appraisals are more directed to assess employee's potential for future performance rather than the past one. It is done in the form of in-depth interviews, psychological tests, and discussion with supervisors and review of other evaluations. It is more focused on employees emotional, intellectual, and motivational and other personal characteristics affecting his performance. This approach is slow and costly and may be useful for bright young members who may have considerable potential. However quality of these appraisals largely depend upon the skills of psychologists who perform the evaluation.

3. Assessment Centers:

This technique was first developed in USA and UK in 1943. An assessment center is a central location where managers may come together to have their participation in job related exercises evaluated by trained observers. It is more focused on observation of behaviors across a series of select exercises or work samples. Assesses are requested to participate in in-basket exercises, work groups, computer simulations, role playing and other similar activities which require same attributes for successful performance in actual job. The characteristics assessed in assessment center can be assertiveness, persuasive ability, communicating ability, planning and organizational ability, self-confidence, resistance to stress, energy level, decision making, sensitivity to feelings, administrative ability, creativity and mental alertness etc.

- Disadvantages: Costs of employees traveling and lodging, psychologists, ratings strongly influenced by assessee's inter-personal skills. Solid performers may feel suffocated in simulated situations. Those who are not selected for this also may get affected.
- **Advantages:** well-conducted assessment center can achieve better forecasts of future performance and progress than other methods of appraisals. Also reliability, content validity and predictive ability are said to be high in assessment centers. The tests also make sure that the wrong people are not hired or promoted. Finally it clearly defines the criteria for selection and promotion.

4. 360-Degree Feedback:

It is a technique which is systematic collection of performance data on an individual group, derived from a number of stakeholders like immediate supervisors, team members, customers, peers and self. In fact anyone who has useful information on how an employee does a job may be one of the appraisers. This technique is highly useful in terms of broader perspective, greater self-development and multi-source feedback is useful. 360-degree appraisals are useful to measure inter-personal skills, customer satisfaction and team building skills. However on the negative side, receiving feedback from multiple sources can be intimidating, threatening etc. Multiple raters may be less adept at providing balanced and objective feedback.

COMPENSATION MANAGEMENT:

Compensation means the basic returns that an employee obtains from his/her work. Every organization offers a good compensation to attract and retain the ablest employees in the actual work floor. It is because if the company does not offer an attractive package of compensation, compared to other competitive firms, the efficient employees may leave the firm. Hence, the employees should be compensated adequately. A well-designed job evaluation program helps to determine an appropriate compensation system.

Compensation may be defined as a package of financial and non-financial benefits that the employee receives for his/her contribution rendered to the organization. It consists of all forms of monetary and non-monetary rewards/pays provided by the employer to the employees for services contributed by them towards organizational objectives. It has two main components- direct financial payments and indirect payments. The direct payments consists of salaries, wages, incentives, commissions, bonuses, etc. Whereas, the indirect payments comprise financial benefits like paid leaves, employee aid insurance etc.

Compensation is a major component of reward which is basically given to the employees in return of their services. It is a package of quantifiable rewards provided to the employees. Hence, the assignment of appropriate/low cost compensation is known as compensation management. It will attract, motivate and retain competent employees at work, and this helps to minimize the turnover ratio.

OBJECTIVES OF COMPENSATION MANAGEMENT:

- The compensation should be paid to each employee on the basis of their abilities and training.
- Compensation should be in the form of package.
- It should motivate the employees towards increasing productivity.



- It should be capable of taking care of employees for safety and security needs also.
- It should be flexible and clear.
- It should not be excessive.
- Compensation should be decided by the management as per the norms fixed by the legislations in consultation with the union.

TYPES OF COMPENSATION:

Compensation is a package of salaries and wages, pay incentives and benefits that an employee receives as a remuneration for rendering services to the organization. Depending upon the nature and mode of compensation, it can be categorized into two dimensions as follows:



1. Financial Benefits:

The financial benefits consist such payments which are paid in terms of monetary gains. They enhance the economic well-being of the employees. Financial payments can either be direct or indirect.

-  **Direct Payments:** Direct payments consist of wages, salaries, bonuses, commissions, and other direct forms of payments.
-  **Indirect Payments:** Indirect payments consist of insurance, social benefits, allowances, employee services, holidays etc.

2. Non-Financial Benefits:

The non-financial benefits include everything in a work environment which are not expressed in monetary units. They help to enhance a worker's sense of self-respect and sense of being accomplished. The ideas under it are shown as:

-  **Work Benefits:** Work benefits consist of challenging job, responsibility, accountability, feeling of achievement and so forth.
-  **Environment Benefits:** Environment benefits consist of appropriate policy, adequate supervision, co-worker's status, interesting job, appropriate timing, and the like.

FACTORS AFFECTING COMPENSATION SYSTEM:

The primary objective of a compensation system is to administer an effective and equitable pay system. It can be affected by various factors which are as follows:

1. Organizational Provisions:

Organizational provision states that the level of compensation largely depends upon organizational operating policies and procedures. It is because the policies serve as a guideline for formulating and implementing compensation plans and programs. Moreover, organizational regulations, plans, objectives, ability for pay etc. also affect the level of pay.

2. Government Regulations:

In order to protect the working class from wage exploitation by strong employers, the government enacts various laws and judicial decisions. Such laws and regulations affect compensation management. Because, they emphasize on minimum wage rate, overtime rate, working hours, equal pay for equal work, payment of bonus, etc. So, an organization has to design its pay system as per the government rules and regulations.

3. Equity Considerations:

Equity considerations hold the philosophy that the compensation system should be fair and equitable. It means the compensation system should be similar for the same type of work within the organization. Similarly, it should be fair relative to what other people get for the similar job in another organization. It is important because any imbalance between what the employees contribute and what they obtain as return would lead to greater job dissatisfaction, employee turnover and absenteeism.

4. Union Pressure:

Labor unions are pressure groups that work in the interest of the workers. Such unions lobby the management for the formulation of fair compensation plans. These organized unions can ensure better wages for employees.

5. Job Analysis And Evaluation Report:

Job analysis is a method through which necessary information about the contents and the contexts of the job is made available to determine the value of each job. The job evaluation is a process of determining the value/worth of a job so that a payment system can be specified. Job analysis and job evaluation determine the relative worth of job which ultimately assist for compensation management. Hence, it is regarded as an important factor of compensation management.

6. Cost Of Living:

Compensation is concerned with an overall return that an employee obtains from the organization for rendering contributions towards organization objectives. Therefore, the payment should be adequate to maintain the cost of living of the employees. Hence, the employer should manage compensation viewing the cost of living of each individual.

7. Organizational Positions

Sometimes, the organization itself evaluates where it is in order to prepare compensation plans. The position of the organization is determined by its productivity i.e., if the productivity of the worker is high, it assess itself as a higher position. As a consequence of it, the compensation system is determined at a higher level. Contrary to it, in case of lower productivity, wages/salary rates tend to be low. Thus, any shift in productivity and employee performance has direct impact on the wage level of the organization.

8. Productivity Of Workers

Another factor of compensation management is the productivity of workers. This is the new concept of linking pay with employee performance. Under it, if the workers are highly productive, they get high compensation as compared to less productive workers. Productivity is a key factor as it enhances organization's image and status.

METHODS OF ESTABLISHING EMPLOYEE'S COMPENSATION:

The main purpose of establishing employee compensation system is to value and price each job. The methods to be followed for the establishment of compensation are as follows:

1. Job Analysis:

Job analysis is known as a process of collecting necessary information relating to job and its specifications. The required information can be collected through different methods such as surveys, observation, discussions, and so on. The information is collected for the preparation of job description and job specification statements.

2. Job Evaluation:

Job evaluation is a systematic approach of evaluating or rating or valuing the job in terms of its worthiness, it puts jobs in a hierarchy and assign a relative worth of each job so that a pay structure can be determined. It means a systematic comparison of job is done in order to determine the worth of one job relative to another. Job evaluation provides an objective ranking of jobs so that an equitable and appropriate rate of pay can be determined for each job. This provides a basic ground for the determination of an efficient pay structure through the identification of compensation factors.

3. Compensation Surveys:

Compensation surveys refer to collecting information on prevailing market rates through different channels. The information can be collected through formal or informal surveys. Most employers in a small scale operation use informal telephone calls to collect data on a relatively small number of easily identified jobs. This informal telephone call is also a good technique for checking discrepancies in the wage rate. Under this method, the data and information relating to other's pay structure are obtained so that the collected data can serve a standard benchmark for formulating compensation plans and policies. The required data and information are collected through different sources such as published surveys, consultants and agencies, advertisements, informal communication etc.

4. Pricing Jobs:

Underpricing jobs method, different pay levels are determined based on the grade of each job. Firstly the jobs are grouped into pay grades, then, the pay rates are assigned to each individual pay grade, rather than assigning rate to each individual job. A pay grade comprises of jobs of approximately equal difficulty or importance. It means, the jobs having similar nature can be grouped under a job grade as determined by job evaluation. If we use a point method in it, a particular grade falls within a range of certain points. For instance 0-50 points, 50-100 points, and so on.

☑ TRAINING AND DEVELOPMENT:

Training and development is vital part of the human resource development. It is assuming ever important role in wake of the advancement of technology which has resulted in ever increasing competition, rise in customer's expectation of quality and service and a subsequent need to lower costs. It is also become more important globally in order to prepare workers for new jobs. In the current write up, we will focus more on the emerging need of training and development, its implications upon individuals and the employers.

Noted management author Peter Drucker said that the fastest growing industry would be training and development as a result of replacement of industrial workers with knowledge

workers. In United States, for example, according to one estimate technology is de-skilling 75 % of the population. This is true for the developing nations and for those who are on the threshold of development. In Japan for example, with increasing number of women joining traditionally male jobs, training is required not only to impart necessary job skills but also for preparing them for the physically demanding jobs. They are trained in everything from sexual harassment policies to the necessary job skills.

THE NEED FOR TRAINING AND DEVELOPMENT:

Before we say that technology is responsible for increased need of training inputs to employees, it is important to understand that there are other factors too that contribute to the latter. Training is also necessary for the individual development and progress of the employee, which motivates him to work for a certain organization apart from just money. We also require training update employees of the market trends, the change in the employment policies and other things.

The following are the two biggest factors that contribute to the increased need to training and development in organizations:

1. Change:





The word change encapsulates almost everything. It is one of the biggest factors that contribute to the need of training and development. There is in fact a direct relationship between the two. Change leads to the need for training and development and training and development leads to individual and organizational change, and the cycle goes on and on. More specifically it is the technology that is driving the need; changing the way how businesses function, compete and deliver.

2. Development:

It is again one the strong reasons for training and development becoming all the more important. Money is not the sole motivator at work and this is especially very true for the 21st century. People who work with organizations seek more than just employment out of their work; they look at holistic development of self. Spirituality and self-awareness for example are gaining momentum world over. People seek happiness at jobs which may not be possible unless an individual is aware of the self. At ford, for example, an individual can enroll himself / herself in a course on 'self-awareness', which apparently seems inconsequential to ones performance at work but contributes to the spiritual wellbeing of an individual which is all the more important.

The critical question however remains the implications and the contribution of training and development to the bottom line of organizations performance. To assume a leadership position in the market space, an organization will need to emphasize on the kind of programs they use to improvise performance and productivity and not just how much they simply spend on learning!

DIFFERENCE BETWEEN TRAINING AND DEVELOPMENT

Training	Development
 Training is skills focused	 Development is creating learning abilities
 Training is presumed to have a formal education	 Development is not education dependent

✚ Training needs depend upon lack or deficiency in skills	✚ Development depends on personal drive and ambition
✚ Trainings are generally need based	✚ Development is voluntary
✚ Training is a narrower concept focused on job related skills	✚ Development is a broader concept focused on personality development
✚ Training may not include development	✚ Development includes training wherever necessary
✚ Training is aimed at improving job related efficiency and performance	✚ Development aims at overall personal effectiveness including job efficiencies

TRAINING AND DEVELOPMENT - A KEY HR FUNCTION

Training and development is one of the key HR functions. Most organizations look at training and development as an integral part of the human resource development activity. The turn of the century has seen increased focus on the same in organizations globally. Many organizations have mandated training hours per year for employees keeping in consideration the fact that technology is deskilling the employees at a very fast rate.

So what is training and development then? Is it really that important to organizational survival or they can survive without the former? Are training and development one and the same thing or are they different? Training may be described as an endeavor aimed to improve or develop additional competency or skills in an employee on the job one currently holds in order to increase the performance or productivity.

Technically training involves change in attitude, skills or knowledge of a person with the resultant improvement in the behavior. For training to be effective it has to be a planned activity conducted after a thorough need analysis and target at certain competencies, most important it is to be conducted in a learning atmosphere.

While designing the training program it has to be kept in mind that both the individual goals and organizational goals are kept in mind. Although it may not be entirely possible to ensure a sync, but competencies are chosen in a way that a win-win is created for the employee and the organization.

Typically organizations prepare their training calendars at the beginning of the financial year where training needs are identified for the employees. This need identification called as 'training need analysis' is a part of the performance appraisal process. After need analysis the number of training hours, along with the training intervention are decided and the same is spread strategically over the next year.

☑ ROLE OF HR PROFESSIONAL IN CHANGING ENVIRONMENT:

With advancement in technology, conventional methods are being replaced by new-age techniques. Globalization is on the rise and companies are spreading out all around the world, no longer restricted by geographical barriers. Economies are rising and falling and evolving continuously. Adding to the turmoil are stringent laws and regulations passed, leading to a constant void waiting to be filled with effective policies that follow all the legal guidelines and at the same time are not compromising on the organization's survival.

In the midst of all this, is a function necessary, but minimally looked upon the human resource function. In a quest to integrate the operations and strategies of a business across a wide array of products, services, ideas, and cultures, the role of human resource managers is constantly evolving. HR managers, who were once confined to handling basic data work and routine record keeping amongst employees, are now exposed to an evolving nature of diverse workforce complexities, legal obligations, and strategic management of the organizational goals.

With that background, first let's shed some light on the conventional HR functions and the traditional role of HR managers:

1. Recruitment:

This is the one function which is hand in glove with HR. Recruitment has been one of the major responsibilities of the HR team. It is the job of HR personnel to plan and devise strategic campaigns and guidelines for recruiting suitable candidates for a required job description. They also have to serve as a mediator between the employer and the candidate and communicate company policies and terms of the contract to the candidate before he is hired. This is the first pillar of HR management that every HR manager starts with. It's probably one of the most important aspects of any HR professional's career. The recruitment function comprises 2 main objectives:

a. Attract Talent:

Attracting talent starts with first planning the requirement of manpower in the organization. Gauging needs of the organization's human resource requirements, and accordingly putting a plan of action to fulfill those needs with placement of "talented professionals". That's followed by creating an "employer brand" which will be representative of the organization's good image and portray an attractive impression in the minds of potential candidates.

The employer branding aspects have become very important owing to the new-age media and awareness of employee rights. Putting the best foot forward is no longer enough, it needs to be followed through with honest actions in favor of the employees. And finally... the HR manager needs to them create detailed recruitment strategies carry out the hiring process.

b. Hire Resources:

This is where the recruitment strategies are put in action. In the current age, there's ton of competition vying for the attention of the best talent in the market. The HR manager needs to run all possible engines to go out there in the market and find that one suitable gem.

This part of the role includes things like finding relevant locations to look in, reach out to maximum potential candidates using mass communication mediums, aggregate all responses, filter out irrelevant applications, judge suitable incumbents and coordinate internally to get them interviewed. Once the finalists are decided, the HR manager turns into a 'negotiator' of sorts, working as a mediator between the company and the candidate to find that win-win ground.

2. Training:

Not all is done once you've recruited a suitable candidate for the job. Many organizations perform tasks a tad differently. Training employee is important to help the new hires get

acquainted with the organization's work pattern. It is imperative for the HR department to incorporate a training program for every new employee based on the skill set required for their job. It will further also contribute towards employee motivation and retention.

For the training to be effective, every new employee can be subjected to an on-the-job training for the initial days to get him in sync with the work guidelines of the organization. This training will not only be of assistance to the employee but also give the HR team an insight into the employee's workmanship. On completion of the training, HR plays a significant role in assessing the results of the training program and grading employees on the same.

3. Professional Development:

Closely related to training, developing your employees professionally is an added bonus for the employee as well as the organization. Enrolling the employee to attend conferences, trade shows, seminars etc. that may be in his personal interest will make the employee feel cared-for and a vital part of the organization, thus increasing employee engagement. It will be beneficial to the organization by way of the employee's added skill set.

In short, it is a win-win. It is the HR head's job to get to know the employee's hobbies and areas of interest and look out for opportunities that will help them build onto those hobbies. For example, if an employee wants to master the technique of SEO, the HR could enroll him for seminars and conferences that talk on the same. However, this should not turn out to be a selfish attempt that benefits the organization only.

4. Appraisals:

Since HRM is a body meant for the employees, carrying out timely performance appraisals is a given. Performance appraisals help in employee motivation by encouraging them to work to their fullest potential. It also enables to give them feedback on their work and suggest necessary measures for the same. This helps employees to have a clear view of what is expected of them and what they are delivering. They can thus, work well towards improving their performance and achieving targets.

The role of HR (especially the HR manager) in this would be to have a policy of generating timely appraisal reports and a review of the same by the authorities. The HR team should communicate individually with employees and give a clear feedback or suggestion on their performance. A system to reward employees excelling at their work would help in employee motivation and thus garner a higher degree of productivity and employee engagement.

5. Maintaining Work Culture:

It is the duty of the HR to maintain a healthy, safe, and fun work environment to ensure a level of comfort amongst the employees and eliminate any stressful or awkward atmosphere that may hinder the performance of the staff. It is vital to have an efficient work atmosphere, because an individual's performance is largely dependent on the surrounding he's working in.

It would be great to have an open-door policy up to some extent wherein employees can freely communicate and voice their opinions to be given consideration. The HR department's role is to be a friendly body with an open attitude. By communicating and treating every employee as equal, the HR can build a rapport with the employees. This goes a long way in increasing employee engagement and gives a higher job satisfaction.

6. Resolving Conflicts:

Where different people have different views, conflicts are almost inevitable. Whether the dispute is amongst two or more employees or between the employee and the management, an HR manager has the right to intervene and help map out a solution.

The HR should be available at the disposal of the conflicting parties and hear out their issues without being judgmental. Prior investigations are a must before passing any judgment. The HR head is not expected to discriminate or play favorites in this matter and always deliver an unbiased and practical decision. A reimbursement in case of any loss caused and strict actions against the defaulter should be practiced for effective conflict resolution by the HRM.

7. Employee Relations:

The Human Resources is called so because its major responsibility is dealing with the human part of the organization and this involves having great interpersonal skills. An HR manager who sits in the office all day will not turn out to be good at building connections with the employees and thus fail to serve the purpose of being an HR head. As an HR person, employees should feel comfortable coming up to you with their problems and for that, it is important that the HR team builds a good public image within the organization.

The HR team has to be proactive and know their employees. An HR personnel's job is not a desk job altogether. The HR head's role is to establish the trust and confidence of the employees and not have a "don't mess with me" demeanor. He should be looked upon as both an HR expert and an employee advocate.

8. Rewards and Incentives:

Rewarding the employees for a work well done imparts motivation and at the same time induces a desire to excel at tasks in hope of obtaining rewards. It serves as bait for inculcating a healthy competitive environment amongst employees to achieve targets and meet deadlines. A reward need not be materialistic always. It could just be a word of appreciation in front of all coworkers for a menial task done with complete honesty.

However, with globalization and evolving trends, compensations like holiday packages, pay incentive, bonuses, and promotion are taking a backseat. If as an HR manager you are wanting to reward your employees efficiently, it's time you adapt new ways of awarding benefits such as flexible work times, paternity leave, extended holidays, telecommuting etc. These non-traditional rewards will prove fruitful not only in engaging existing workforce but also as an added benefit to attract new talent to your organization.

9. Legal Knowledge:

This may seem the least glamorous of all, but is an important aspect of the HRM. An HR manager should always be in compliance with the law. Whether it's drafting new policies or writing terms of a contract, it is the HR department's job to build guidelines keeping the laws in mind. This ensures an organization's continued growth and existence. While drafting policies, the HR should always ensure to be at an upper hand legally and keep the organization's practices in tune with the labor laws, tax laws, permissible working hours, minimum wages, and a no-discrimination policy.

10. Organization:

An HR head is responsible for organizing all functions of the organization. To start with, it includes employee on-boarding, i.e. welcoming new employees. It is a must for every HR head to carry out an induction for every new hire, and give them an orientation regarding the company policies and rules.

The HR personnel should also introduce the new employees to their colleagues and assign them a mentor. It also involves listing out job expectations and defining roles and responsibilities, thus getting the new employees in tune with the working of the organization. The HR personnel are also responsible for organizing and storing all employee data efficiently and keeping it secure.

11. Management:

Management is the most important job of an HR manager. It is what defines a good HR manager. Management extends right from managing employees to managing the employers and the whole HR department as well.

The role of an HR manager is to manage, create, implement and supervise policies/regulations, which are mandatory for every employee and also have knowledge of its appropriate functioning. Monitoring attendance and tracking leaves forms a major chunk of the HR management function. There should be a proper management of the clock-in/out time to avoid late arrivals and track overtimes and half-days. As mentioned before, the HR as a department should also be well managed by the HR head. If the HR department itself is in a state of chaos, it cannot serve as a peacemaker for the other departments.

12. Payroll Management:

Once all the attendance monitoring, leave tracking, clock in/outs etc. is tracked and monitored, it's time for the most important aspect—calculating the payroll. Efficient calculation of salaries, wage-cuts, reimbursements, and generation of pay slips amounts to the role of HR managers in payroll management.

The HR manager should maintain transparency and provide the employees with information as and when asked. The HR should ensure not only accurate calculations of salaries but also timely transfer of the same. They also have an obligation towards exiting employees in settlement of dues and compensations.

Conclusion

According to research, the human part of your organization tallies up to 80 per cent of your organization's assets; reason enough for you to QC your human resource function. To build a team of professionals, it is of utmost importance to have an equally professional and well-managed HR department. A slipshod HR function will cost your organization's future and compromise on its achievements. To summarize, the role of an HR manager is to maintain law and order in the organization and amongst the employees, which further extends to attracting, engaging and retaining top talent.

GLOBALIZATION:

☑ INTRODUCTION TO GLOBALIZATION:

Globalization is the increasing interaction of people through the growth of the international flow of money, ideas and culture. Globalization is primarily an economic process of integration which has social and cultural aspects as well. It involves goods and services, and the economic resources of capital, technology and data. Advances in the means of transport (such as the steam locomotive, steamship, jet engine, and container ships) and in telecommunications infrastructure (including the rise of the telegraph and its modern offspring, the Internet and mobile phones) have been major factors in globalization, generating further interdependence of economic and cultural activities.

Though many scholars place the origins of globalization in modern times, others trace its history long before the European Age of Discovery and voyages to the New World, some even to the third millennium BC. Large-scale globalization began in the 1820s. In the late 19th century and early 20th century, the connectivity of the world's economies and cultures grew very quickly. The term globalization is recent, only establishing its current meaning in the 1970s.

In 2000, the International Monetary Fund (IMF) identified four basic aspects of globalization: trade and transactions, capital and investment movements, migration and movement of people, and the dissemination of knowledge. Further, environmental challenges such as global warming, cross-boundary water and air pollution, and overfishing of the ocean are linked with globalization. Globalizing processes affect and are affected by business and work organization, economics, socio-cultural resources, and the natural environment. Academic literature commonly subdivides globalization into three major areas: economic globalization, cultural globalization, and political globalization.

☑ EFFECTS OF GLOBALIZATION TO MANAGEMENT AND LEADERSHIP:

Globalization has affected leadership and management style in many ways through the customer and markets, competition, international employee transfer and increased opportunities. Globalization has a great impact on businesses in many ways it has made business much more difficult, complex and at the same time profitable. It is a fact that leadership style for every country is different and it is not necessary that a good leader in one country will be a good leader in another country.

As countries have their own cultures, ways, beliefs, customs and social standards it is very important for a leader to understand and consider them. A leader who has the knowledge or who is familiar with a country's customs, culture, ethics, ways, and traditions is the one who will provide effective and beneficial leadership to the business. Awareness, sensitivity to standards and cultural difference, integrity, courage and strong business knowledge are the skills that make a leader successful in the global world. To be effective and respected in the country a leader must be trained according to the culture of that country. So for leadership to be effective culture, standards and customs of the country must be taken into consideration.

The effects of globalization on human resources can help managers to better equip their organizations for the increasingly global business environment.

1. Diversity Recruitment:

With the rise of globalization, companies of all sizes are now interacting with customers and stakeholders from diverse cultures, languages and social backgrounds. In response, many human resources managers seek to hire employees from equally diverse backgrounds. Companies engaging in this diversity recruitment recognize the value of having people on staff that their customers can relate to, and they know that having a team of diverse people contributes to the range of ideas and influences within the organization.

2. Push for Professional Development:

A further effect of globalization on HR management is a push for professional development. Professional development is concerned with providing employees opportunities to achieve their career-related goals. Some organizations provide resources for their employees to earn a university degree, others send their employees to conferences or networking events and training days. Professional development is important to globalization because it creates a win-win situation. The employees feel as though the organization is concerned with providing a range of skills and competencies for their employees. Likewise, the organization benefits from the added skills and connections that the employees who take advantage of professional development programs acquire.

3. Greater Emphasis on Training:

Similar to professional development, a greater emphasis on training has resulted because of globalization in human resources management. Training, however, tends to be focused on the needs and professional competencies of groups of employees within the organization. The company might, for instance, host language classes to give its call center staff an edge in telephone sales. It might also teach its employees how to use a new global software platform. This emphasis on training seeks to give the company a competitive edge in the global marketplace by honing the employees' diversity emphasis.

4. Management of Laws Across Jurisdictions:

A final effect of globalization on human resources management is the need for businesses to understand and apply the laws of many different jurisdictions to the particular business. The federal government sets out a number of tax and labor laws that businesses operating in the United States must comply with, but there may also be local and regional laws that apply to companies that operate in different states or different countries. Selling products in Europe, for example, might mean that a company has to impose a Value-Added Tax on its goods. Hiring employees at branch locations in different locations might change the requirements on minimum wage, tax allowances or working hours. Understanding these laws is vitally essential to the organization because any breach of them will have a serious impact not only on the business's financial well-being but also on its reputation.

CORPORATE SOCIAL RESPONSIBILITY:

Corporate social responsibility (CSR) is a form of corporate self-regulation integrated into a business model. In simple words, CSR is the social activities performed by the businesses to correct/upgrade their image in the society that they are operating. CSR promotes a vision of business accountability to a wide range of stakeholders, besides shareholders and investors. Key

areas of concern are environmental protection and the wellbeing of employees, the community and civil society in general, both now and in the future.

The concept of CSR is underpinned by the idea that corporations can no longer act as isolated economic entities operating in detachment from broader society. Traditional views about competitiveness, survival and profitability are being swept away.

CSR differs from place to place, from industry to industry. It is difficult to define CSR precisely because it will always have a location specific context. The world business Council for Sustainable Development defines CSR as, *“Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.”*

Some of the drivers pushing business towards CSR include:

1. The Shrinking Role Of Government:

In the past, governments have relied on legislation and regulation to deliver social and environmental objectives in the business sector. Shrinking government resources, coupled with a distrust of regulations, has led to the exploration of voluntary and non-regulatory initiatives instead.

2. Demands For Greater Disclosure:

There is a growing demand for corporate disclosure from stakeholders, including customers, suppliers, employees, communities, investors, and activist organizations.

3. Increased Customer Interest:

There is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. In a recent survey by Environics International, more than one in five consumers reported having either rewarded or punished companies based on their perceived social performance.

4. Growing Investor Pressure:

Investors are changing the way they assess companies' performance, and are making decisions based on criteria that include ethical concerns. The Social Investment Forum reports that in the US in 1999, there was more than \$2 trillion worth of assets invested in portfolios that used screens linked to the environment and social responsibility. A separate survey by Environics International revealed that more than a quarter of share-owning Americans took into account ethical considerations when buying and selling stocks. (More on socially responsible investment can be found in the 'Banking and investment' section of the site.)

5. Competitive Labor Markets:

Employees are increasingly looking beyond paychecks and benefits, and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

6. Supplier Relations:

As stakeholders are becoming increasingly interested in business affairs, many companies are taking steps to ensure that their partners conduct themselves in a socially responsible manner. Some are introducing codes of conduct for their suppliers, to ensure that other companies' policies or practices do not tarnish their reputation.

Some of the positive outcomes that can arise when businesses adopt a policy of social responsibility include:

1. Company Benefits:

- Improved financial performance;
- Lower operating costs;
- Enhanced brand image and reputation;
- Increased sales and customer loyalty;
- Greater productivity and quality;
- More ability to attract and retain employees;
- Reduced regulatory oversight;
- Access to capital;
- Workforce diversity;
- Product safety and decreased liability.

2. Benefits to the Community And The General Public:

- Charitable contributions
- Employee volunteer programmes
- Corporate involvement in community education, employment and homelessness programmes
- Product safety and quality.

3. Environmental Benefits:

- Greater material recyclability;
- Better product durability and functionality;
- Greater use of renewable resources;

☑ ETHICAL ISSUES:

Corporate Social Responsibility is an ethical issue nowadays, that means businesses and individuals are accountable to do their civic and social duties. Businesses emerge in a society, they operate in the society and gain profit from the society. It is their moral and ethical responsibility to contribute something (monetary or voluntary) to the well-being of the society. In this way, there will be a balance between economic growth and the welfare of society and the environment. If this equilibrium is maintained, then social responsibility is accomplished.

The concept of corporate social responsibility is built on a system of ethics, in which decisions and actions must be ethically validated before proceeding. If the action or decision causes harm to society or the environment then it would be considered to be socially irresponsible.

The theory of social responsibility and ethics applies in both individual and group capacities. It should be incorporated into daily actions/decisions, particularly ones that will have an effect on

other persons and/or the environment. Businesses have developed a system of social responsibility that is adjusted to their company environment. If social responsibility is maintained within a company then the employees and the environment are held equal to the company's economics. Maintaining social responsibility within a company ensures the integrity of society and the environment are protected.

☑ ISSUES ON EMPLOYMENT PRACTICES:

CSR seems easier to implement as businesses see positive effects on the society and their businesses as well. But there are several issues when CSR is implemented in the corporate environment. Some of the issues and challenges on CSR practice are as follows

1. Lack of Community Participation in CSR Activities:

There is a lack of interest of the local community in participating and contributing to CSR activities of companies. This is largely attributable to the fact that there exists little or no knowledge about CSR within the local communities as no serious efforts have been made to spread awareness about CSR and instil confidence in the local communities about such initiatives. The situation is further aggravated by a lack of communication between the company and the community at the grassroots.

2. Need to Build Local Capacities:

There is a need for capacity building of the local non-governmental organizations as there is serious dearth of trained and efficient organizations that can effectively contribute to the ongoing CSR activities initiated by companies. This seriously compromises scaling up of CSR initiatives and subsequently limits the scope of such activities.

3. Issues of Transparency:

Lack of transparency is one of the key issues brought forth by the survey. There is an expression by the companies that there exists lack of transparency on the part of the local implementing agencies as they do not make adequate efforts to disclose information on their programs, audit issues, impact assessment and utilization of funds. This reported lack of transparency negatively impacts the process of trust building between companies and local communities, which is a key to the success of any CSR initiative at the local level.

4. Non-availability of Well Organized Non-governmental Organizations:

It is also reported that there is non-availability of well-organized nongovernmental organizations in remote and rural areas that can assess and identify real needs of the community and work along with companies to ensure successful implementation of CSR activities. This also builds the case for investing in local communities by way of building their capacities to undertake development projects at local levels.

5. Visibility Factor:

The role of media in highlighting good cases of successful CSR initiatives is welcomed as it spreads good stories and sensitizes the local population about various ongoing CSR initiatives of companies. This apparent influence of gaining visibility and branding exercise often leads many

nongovernmental organizations to involve themselves in event-based programs; in the process, they often miss out on meaningful grassroots interventions.

6. Narrow Perception towards CSR Initiatives:

Non-governmental organizations and Government agencies usually possess a narrow outlook towards the CSR initiatives of companies, often defining CSR initiatives more donor-driven than local in approach. As a result, they find it hard to decide whether they should participate in such activities at all in medium and long run.

7. Non-availability of Clear CSR Guidelines:

There are no clear cut statutory guidelines or policy directives to give a definitive direction to CSR initiatives of companies. It is found that the scale of CSR initiatives of companies should depend upon their business size and profile. In other words, the bigger the company, the bigger is its CSR program.

8. Lack of Consensus on Implementing CSR Issues:

There is a lack of consensus amongst local agencies regarding CSR projects. This lack of consensus often results in duplication of activities by corporate houses in areas of their intervention. This results in a competitive spirit between local implementing agencies rather than building collaborative approaches on issues. This factor limits company's abilities to undertake impact assessment of their initiatives from time to time.

☑ HUMAN RIGHTS:

Every person has dignity and value. One of the ways that we recognize the fundamental worth of every person is by acknowledging and respecting their human rights. Human rights are a set of principles concerned with equality and fairness. They recognize their freedom to make choices about their lives and to develop their potential as human beings. They are about living a life free from fear, harassment or discrimination.

According to OHCHR (United Nations Office of the High Commission of Human Rights), Human rights are rights inherent to all human beings, whatever our nationality, place of residence, sex, national or ethnic origin, color, religion, language, or any other status. We are all equally entitled to our human rights without discrimination. These rights are all interrelated, interdependent and indivisible. Universal human rights are often expressed and guaranteed by law, in the forms of treaties, customary international law, general principles and other sources of international law. International human rights law lays down obligations of Governments to act in certain ways or to refrain from certain acts, in order to promote and protect human rights and fundamental freedoms of individuals or groups.

Human rights can broadly be defined as a number of basic rights that people from around the world have agreed are essential. These include the right to life, the right to a fair trial, freedom from torture and other cruel and inhuman treatment, freedom of speech, freedom of religion, and the rights to health, education and an adequate standard of living. These human rights are the same for all people everywhere men and women, young and old, rich and poor, regardless of their background, where they live, what they think or what they believe. This is what makes human rights 'universal'.

Human rights connect us to each other through a shared set of rights and responsibilities. A person's ability to enjoy their human rights depends on other people respecting those rights. This means that human rights involve responsibility and duties towards other people and the community. Individuals have a responsibility to ensure that they exercise their rights with consideration for the rights of others. For example, when someone uses their right to freedom of speech, they should do so without interfering with someone else's right to privacy.

Governments have a particular responsibility to ensure that people are able to enjoy their rights. They are required to establish and maintain laws and services that enable people to enjoy a life in which their rights are respected and protected. For example, the right to education says that everyone is entitled to a good education. This means that governments have an obligation to provide good quality education facilities and services to their people. Whether or not governments actually do this, it is generally accepted that this is the government's responsibility and people can call them to account if they fail to respect or protect their basic human rights.

☑ ENVIRONMENTAL REGULATIONS:

Corporate and business organizations has to consider some environmental issues before planning and implementing their CSR activities. Moreover, their regular operations should not violate the environmental regulations forwarded by the government and the local bodies as well. Most countries has their own environment protection act to oversee and regulate the impact that businesses have on the environment. The environment protect act may consist provisions for clean and safe drinking water access to everyone, clean air and pollution free environment, natural resources conservation and its recovery, emergency planning and community right-to-know (right to information), toxic substance management and most importantly the carbon emissions and global warming issues. Each of the above environmental issues has specific regulations and requirements that businesses must follow, and a review of each is important for all small business owners.

When environmental regulation in the host nation is much inferior to those in the home nation, ethical issues may arise. Many nations have firm regulations regarding the emission of pollutants, the dumping and use of toxic materials, and so on. Developing nations may not be so strict, and according to critics, it results in much increased levels of pollution from the operations of multinationals in host nations.

Is it fine for multinational firms to pollute the developing host nations? It does not seem to be ethical. What is the appropriate and morally correct thing to do in such circumstances? Should MNCs be allowed to pollute the host countries for their economic advantage, or the MNCs should make sure that foreign subsidiaries follow the same standards as set in their home countries? These issues are not old; they are still very much contemporary.

POLLUTION CONTROL

Air Quality:

Air quality laws govern the emission of air pollutants into the atmosphere. A specialized subset of air quality laws regulate the quality of air inside buildings. Air quality laws are often designed specifically to protect human health by limiting or eliminating airborne pollutant concentrations. Other initiatives are designed to address broader ecological problems, such as limitations on chemicals that affect the ozone layer, and emissions trading programs to address

acid rain or climate change. Regulatory efforts include identifying and categorizing air pollutants, setting limits on acceptable emissions levels, and dictating necessary or appropriate mitigation technologies.

Water Quality:

Water quality laws govern the release of pollutants into water resources, including surface water, ground water, and stored drinking water. Some water quality laws, such as drinking water regulations, may be designed solely with reference to human health. Many others, including restrictions on the alteration of the chemical, physical, radiological, and biological characteristics of water resources, may also reflect efforts to protect aquatic ecosystems more broadly. Regulatory efforts may include identifying and categorizing water pollutants, dictating acceptable pollutant concentrations in water resources, and limiting pollutant discharges from effluent sources. Regulatory areas include sewage treatment and disposal, industrial and agricultural waste water management, and control of surface runoff from construction sites and urban environments.

Waste Management:

Waste management laws govern the transport, treatment, storage, and disposal of all manner of waste, including municipal solid waste, hazardous waste, and nuclear waste, among many other types. Waste laws are generally designed to minimize or eliminate the uncontrolled dispersal of waste materials into the environment in a manner that may cause ecological or biological harm, and include laws designed to reduce the generation of waste and promote or mandate waste recycling. Regulatory efforts include identifying and categorizing waste types and mandating transport, treatment, storage, and disposal practices.

Contaminant Cleanup:

Environmental cleanup laws govern the removal of pollution or contaminants from environmental media such as soil, sediment, surface water, or ground water. Unlike pollution control laws, cleanup laws are designed to respond after-the-fact to environmental contamination, and consequently must often define not only the necessary response actions, but also the parties who may be responsible for undertaking (or paying for) such actions. Regulatory requirements may include rules for emergency response, liability allocation, site assessment, remedial investigation, feasibility studies, remedial action, post-remedial monitoring, and site reuse.

Chemical Safety:

Chemical safety laws govern the use of chemicals in human activities, particularly man-made chemicals in modern industrial applications. As contrasted with media-oriented environmental laws (e.g., air or water quality laws), chemical control laws seek to manage the (potential) pollutants themselves. Regulatory efforts include banning specific chemical constituents in consumer products (example: Bisphenol A in plastic bottles), and regulating pesticides.

☒ **CORRUPTION:**

Corruption is a form of dishonest or unethical conduct by a person entrusted with a position of authority, often to acquire personal benefit. Corruption may include many activities including

bribery and embezzlement, though it may also involve practices that are legal in many countries. Government, or 'political', corruption occurs when an office-holder or other governmental employee acts in an official capacity for personal gain.

SCALES OF CORRUPTION:

- **Petty corruption** occurs at a smaller scale and takes place at the implementation end of public services when public officials meet the public. For example, in many small places such as registration offices, police stations and many other private and government sectors.
- **Grand corruption** is defined as corruption occurring at the highest levels of government in a way that requires significant subversion of the political, legal and economic systems. Such corruption is commonly found in countries with authoritarian or dictatorial governments but also in those without adequate policing of corruption. The government system in many countries is divided into the legislative, executive and judiciary branches in an attempt to provide independent services that are less subject to grand corruption due to their independence from one another.
- **Systemic corruption** (or endemic corruption) is corruption which is primarily due to the weaknesses of an organization or process. It can be contrasted with individual officials or agents who act corruptly within the system. Factors which encourage systemic corruption include conflicting incentives, discretionary powers; monopolistic powers; lack of transparency; low pay; and a culture of impunity. Specific acts of corruption include "bribery, extortion, and embezzlement" in a system where "corruption becomes the rule rather than the exception." Scholars distinguish between centralized and decentralized systemic corruption, depending on which level of state or government corruption takes place; in countries such as the Post-Soviet states both types occur. Some scholars argue that there is a negative duty [clarification needed] of western governments to protect against systematic corruption of underdeveloped governments.

METHODS:

In systemic corruption and grand corruption, multiple methods of corruption are used concurrently with similar aims.

1. Bribery:

Bribery involves the improper use of gifts and favors in exchange for personal gain. This is also known as kickbacks or, in the Middle East, as baksheesh. It is the most common form of corruption.[citation needed] The types of favors given are diverse and may include money, gifts, sexual favors, company shares, entertainment, employment and political benefits. The personal gain that is given can be anything from actively giving preferential treatment to having an indiscretion or crime overlooked.

Bribery can sometimes form a part of the systemic use of corruption for other ends, for example to perpetrate further corruption. Bribery can make officials more susceptible to blackmail or to extortion.

2. Embezzlement, Theft and Fraud:

Embezzlement and theft involve someone with access to funds or assets illegally taking control of them. Fraud involves using deception to convince the owner of funds or assets to give them up to an unauthorized party.

Examples include the misdirection of company funds into "shadow companies" (and then into the pockets of corrupt employees), the skimming of foreign aid money, scams and other corrupt activity.

3. Extortion and Blackmail:

While bribery is the use of positive inducements for corrupt aims, extortion and blackmail centre around the use of threats. This can be the threat of violence or false imprisonment as well as exposure of an individual's secrets or prior crimes.

This includes such behavior as an influential person threatening to go to the media if they do not receive speedy medical treatment (at the expense of other patients), threatening a public official with exposure of their secrets if they do not vote in a particular manner, or demanding money in exchange for continued secrecy.

4. Business Networking:

Networking can be an effective way for job-seekers to gain a competitive edge over others in the job-market. The idea is to cultivate personal relationships with prospective employers, selection panelists, and others, in the hope that these personal affections will influence future hiring decisions. This form of networking has been described as an attempt to corrupt formal hiring processes, where all candidates are given an equal opportunity to demonstrate their merits to selectors. The networker is accused of seeking non-meritocratic advantage over other candidates; advantage that is based on personal fondness rather than on any objective appraisal of which candidate is most qualified for the position.

MAIN CAUSES OF CORRUPTION:

1. Low Pay Scales/ Wages:

Most of the employees in government sector are paid low wages and salaries. Hence some employees revert to corruption for more financial benefits.

2. Low Job Opportunities.

This is another cause of corruption. Due to lack of job opportunities at will, there are many people who like to go for corruption mode to get the job offer. They will be ready to pay lump sum amounts for the job offer to the higher officials or politicians.

3. Lack Of Strict And Fast Punishments:

Even if someone is found guilty or even caught red-handed by the anti-corruption officials or media, the convicts get less punishment. First they will be suspended for few months or weeks and then re-posted to another location with same Job grade and pay. So this means the official who did the corrupt practice is given a free license to continue his practice.

If the government is so strict that any such corrupt incidents will lead to permanent removal from job and also punishment like several years imprisonment then the corruption will come down to a large extent.

4. Lack Of Ill Fame:

If a person is found to be corrupt or has done some unacceptable misconduct, he or she has to be avoided and not be respected. But in India those with corruption and other offense related history are given prominent positions like the Member of Parliament or even higher posts. Instead of being disrespected they are respected.

5. Lack Of Unity In Public:

Public openly criticize corruption but interestingly there is no unity among the public to stop corruption. If a person wants to get his work done, he gets it done by corruption means if possible and then later criticizes the corrupt official. If the public stands united against corruption in such a way that no one is ready to offer bribes to get their work done then the corrupt officials will have no other option but to work in corruption free manner.

During election, politicians try to lure the people by offering money and other things. If these politicians win and get power, they try to regain 10 to 100 times the amount spent for their elections.

6. Lack Of Transparency In Affairs And Deals:

Many seat selection processes like in education, contracts for job, employee income reports (wealth possession), etc. lack transparency. For this purpose, there is a new act namely RTI: right to information, but the act is not strong enough to prevent malpractices.

7. Lack Of Independent Detective Agency:

Nepal has no independent detective agency which can investigate with full power and freedom to expose the corrupt individuals. The existing agencies like CIAA are named by the highest court of Nepal judicial system as a parrot which indicates how free these investigating agencies to work. Hence anyone who commits offense will not be as afraid of the investigation as they can escape from it by taking help of ruling political party.

8. Option Of Many Political Parties:

In Nepal anyone can establish a political party. So there are many political parties in Nepal. If the political party wins, then the members in it will desire to expand the party to all over the country. To do so, they need enough financial reserves. For this, once they come into power, they option for corrupt means to make the wealth needed to expand the party.

9. Lack Of Enough Powers To The Judicial System And Other Independent Organization:

Like the election commission cannot ban a politician from contesting in case they make a mistake or do not comply with the rules during election campaign (like distributing money to people etc.). Similarly, the judicial system has low options to punish someone who is found to be.

10. Lack Of Accountability:

In government there is a big trend of corruption. This is because of lack of accountability. The employee's on government offices do not perform to their par excellence. If they receive 100 files to be cleared in a week they may not even clear 50 of them in that week. They tend to post-pone the clearance of the files. So those who are in urgency of the clearance have to get them done by rewarding the officials involved in the clearance office. This lack of accountability in government offices is chief cause of corruption.

If there is a mandate that all the files or at-least 95% of files received by government offices for clearance are cleared in the said period than corruption can be minimized to a large extent.

11. Encouragement Of Unhealthy Competition:

Competition in business is a good sign for quality of service to be delivered. But in India there is encouragement of unhealthy competition.

EFFECTS OF CORRUPTION:

1. Effects Of Corruption On People:

Lack Of Quality In Services:

In a system with corruption there is no quality of service. To demand quality one might need to pay for it. This is seen in many areas like municipality, electricity, distribution of relief funds etc. If a person has to purchase a like medicine, due to corruption in education then the candidate after completion of his course will not like to provide quality health service if there is not enough remuneration for his service. Further candidates who do not have the ability can also get into the same seat by purchasing it. So though he becomes a medical practitioner, he may not be competent enough.

Lack Of Proper Justice:

Corruption in judiciary system, leads to improper justice. And the victims of offense might suffer. A crime may be proved as benefit of doubt due to lack of evidence or even the evidence erased. Due to corruption in the police system, the investigation process goes on for decades. This lets the culprits roam free and even perform more crimes. There are even chances that criminals due to old age due to delayed investigation. So it lead to "Justice delayed is justice denied."

Chances of Unemployment:

This we can see with an example. The private education and training institutes are given permits to start providing education. This permit is given based on the infrastructure and sufficient recruitment of eligible staff. Here there are good chances of corruption. The institute or college managements try to bribe the quality inspectors so as to get permits. Though there are no sufficient eligible staff these institutes get permission by the inspectors leading to unemployment. Instead of 10 faculty a college is run by 5. So, even if well qualified persons wish to get job there, they will not be offered. If there was no corruption by inspectors, then there would be chance for more employment.

Poor Health and Hygiene:

In countries with more corruption one can notice more health problems among people. There will be no fresh drinking water, proper roads, quality food grains supply, milk adulteration, etc. These low quality services are all done to save money by the contractors and the officials who are involved. Even the medicine provided in hospitals for the hospitals are of sub-standard quality. So all these can contribute to ill health of common man.

Pollution:

Pollution is mostly emitted in the form of water pollution, air pollution and land pollution. This pollution is from vehicles and factories. The governments have a monitor on this pollution by regular check of vehicle emissions and also industrial exhausts. Corruption in the government department lets the industry people opt to release of untreated and harmful waste into rivers and air. If there is no corruption, there can be fair probes. Then the industry personnel will treat the waste such that it is less toxic and harmless to environment and people in it. So we can mean that corruption is also the main cause of pollution.

Accidents:

Sanction of driving license without proper check of driving skills in the driver leads to accidents and death. Due to corruption, there are countries where one can driving license without any tests.

Failure Of Genuine Research:

Research by individuals needs government funding. Some of the funding agencies have corrupt officers. These people sanction the funds for research to those investigators who are ready to bribe them. In doing so, they do not sanction the funds to genuine and hardworking investigators. Thus the research and development will be lagging. This seems to be not a problem to the common public. But if we notice the resistance of microbes to drugs, we can know that there were no new compounds discovered in the past few decades for efficient treatment of resistant microbes.

2. Effects Of Corruption On Society:

Disregard For Officials:

People start disregarding the official involved in corruption by talking negatively about him. But when they have work with him or her, they again approach them by a thought that the work is done if some monetary benefits are provided. Disregard towards officials will also build distrust. Even lower grade officer will be disrespectful to higher grade officer. So even he may not obey his orders. There were even incidents where a lower grade police officer kidnapped higher grade officer for not offering him leave when asked.

Lack Of Respect For Rulers:

Rulers of the nation like president or prime ministers lose respect among the public. Respect is main criteria in social life. People go for voting during election not only with the desire to improve their living standards by the election winner but also with respect for the leader. If the

politicians involve in corruption, people knowing this will lose respect for them and will not like to cast their vote for such politicians.

Lack Of Faith And Trust On The Governments:

People vote to a ruler based on their faith in him/ her. But if found to be involved in corruption people lose faith in them and may not vote next time.

Aversion For Joining The Posts Linked To Corruption:

Sincere, honest and hardworking people develop aversion to apply for the post though they like to as they believe that they also need to be involved in corruption if they get into post.

3. Effects Of Corruption On Economy:

Decrease In Foreign Investment:

There are many incident where in foreign investments which were willing to come to India have gone back owing to heavy corruption in the government bodies.

Delay In Growth:

Due to desire to mint money and other unlawful benefits, the official who need to pass the clearances for projects or industries delay the process. A work which can be done in few day may be done in months' time. This leads to delay in investments, starting of industries and also growth. Even if started, company growth hinders as every work linked to officials get delayed due to need to provide bribes or other benefits

Lack Of Development:

Many new industries wiling to get started in particular region change their plans if the region is unsuitable. If there are no proper roads, water and electricity, the companies do not wish to start up there. This hinders the economic progress of that region.

Differences In Trade Ratio's:

Some countries have inefficient standard control institutes. Or in other word these standard control institutes are corrupt that they can approve low quality products for sale in their country. Hence you can see countries manufacturing cheap products dump them in big markets. These countries can manufacture cheap quality products but cannot dump in countries with strict standard control institutes. They can do so only in countries with chances of corrupt officials in standard control. One best example is China products which can't be just dumped into Europe and US markets. But can be done in Indian and African markets. So there arises trade deficit that these countries cannot manufacture their own products at cheaper price than those exporting to them. So if corruption is minimized than these countries will have less trade deficits in-terms of exports and imports with other countries and their economies can prosper.

HOW TO STOP CORRUPTION:

1. Give Better Salary In Government Jobs:

Many employees in government positions receive low salary like clerks, office staff etc. Hence they expect to make money by bribery. For this they try to delay the work for so long that the

client is fed up and opts for bribery for progress in the work. So low salary is one of the reasons for corruption. To curb this their salaries should be raised periodically.

2. Increase The Number Of Workers:

In many offices of the government sector, the work load has gone up drastically but the recruitment of vacancies has declined. This gives an option for delaying the work by officials and expect monetary or other benefits for faster completion.

3. Law To Dismiss From Service If Found To Be Involved In Corruption:

This seems a better option. For instance if you see cases where anti-corruption bureau rides an officers home and finds disproportionate assets, the officer is suspended from employment and taken for judicial trials. But after couple of years you will find them in employment at same or even better positions. So this creates no fear among the officials against corruption.

4. Keep Transactions Online And Provide Bill For Every Purchase:

Many of them do not pay taxes and escape, this involves corruption. Making payments online through bank accounts and provision of bills for every transaction involving money. This is a better corruption watch. In other words, public should opt for cashless transactions where possible. This will limits the corruption related to money.

5. Camera In Most Government Offices :

In every ATM there are camera to keep a watch on the public taking their money. Then why not government offices have cameras to have a watch on the employ performance. Even there are many employs who openly take bribe in presence of common men. This public bribery is due to confidence that public wants their work more than the amount they are paying to them as bribes.

6. Speed Up The Work Process In Government Institutes:

Most corporate offices are in full-fledged running by 8-9 am. But the government offices start by 10 to 11 am and wind up by 3.30 to 4 pm with a lunch break of one & half hour in between. This indicates how much of commitment lies in the work and how fast the work goes on. If there are mistakes in the work or delay in the work, civilians have to run behind those workers to rectify or complete the work. In doing so they pay bribes to get the work done. This makes the chances of corruption more or else work is not done. So there should be accountability of daily work done in government works and targets to complete the work on time basis. Or else instead of being public servants, they tend to act as public bosses.

7. Make Media Responsible And Fix Laws To Be So:

There are many major scams and corruption events involving media. Though the media is well aware of the corruption happening they stay silent due to their support for some political parties or else their owners get some monetary benefits from the rulers. Even there are many reporters who though come across some scam or corruption, they stay silent without revealing it for press for having received monetary benefits to do so. If media personnel are found to be guilty for not having exposed the scam or corruption intentionally, they have to be prosecuted and their license be withdrawn.

8. Verify The Selection Procedures:

Many people compete for government jobs and in the process there are corruption happening in the selection of candidates for the posts. So let the selection criteria and procedure used be transparent and any misconduct from this should be punishable. Also while allotment of natural resources for business companies, the selection of bids should be transparent. There should be online details with regards to the benefit to the government, the purchase price and even benefit to the company out of the deals. This will limit the corruption related to quid pro quo.

9. Keep Inflation Low:

This is another factor for keeping corruption high and also persistent. Due to rise in prices, any amount of income seems to be insufficient. This inflation is a corruption involving politicians and businessmen. Businessmen try to raise the prices to sell their inventory or stock of goods at higher price. For this the politicians support them and are paid monetary or other benefits. This is a cheap business tactic but even the so called richest business magnets play this corruption game.

10.Speed Up The Judgment And Increase The Courts:

Many cases of corruption take years to be given verdict. This delay in cases creates lack of fear for being corrupt and also huge time span for court trials gives sufficient time to make alterations in the witness. Establishing fast track courts and giving severe punishment for corruption practice will keep a control on corruption.

Besides these there should be collective efforts from the public to prevent corruption. If there is corruption for so long, it indicates even the people voting for their leaders do not consider this and vote based on fantasy or factors like religion etc.

☒ CONFLICT MANAGEMENT:

Conflict management is the practice of being able to identify and handle conflicts sensibly, fairly, and efficiently. Since conflicts in a business are a natural part of the workplace, it is important that there are people who understand conflicts and know how to resolve them. This is important in today's market more than ever. Everyone is striving to show how valuable they are to the company they work for and at times, this can lead to disputes with other members of the team.

CONFLICT MANAGEMENT STYLES:

Here are five conflict styles that a manager will follow according to Kenneth W. Thomas and Ralph H. Kilmann:

1. Accommodating:

The accommodating strategy essentially entails giving the opposing side what it wants. The use of accommodation often occurs when one of the parties wishes to keep the peace or perceives the issue as minor. For example, a business that requires formal dress may institute a "casual Friday" policy as a low-stakes means of keeping the peace with the rank and file. Employees who use accommodation as a primary conflict management strategy, however, may keep track and develop resentment.

2. Avoiding:

The avoidance strategy seeks to put off conflict indefinitely. By delaying or ignoring the conflict, the avoider hopes the problem resolves itself without a confrontation. Those who actively avoid conflict frequently have low esteem or hold a position of low power. In some circumstances, avoiding can serve as a profitable conflict management strategy, such as after the dismissal of a popular but unproductive employee. The hiring of a more productive replacement for the position soothes much of the conflict.

3. Collaborating:

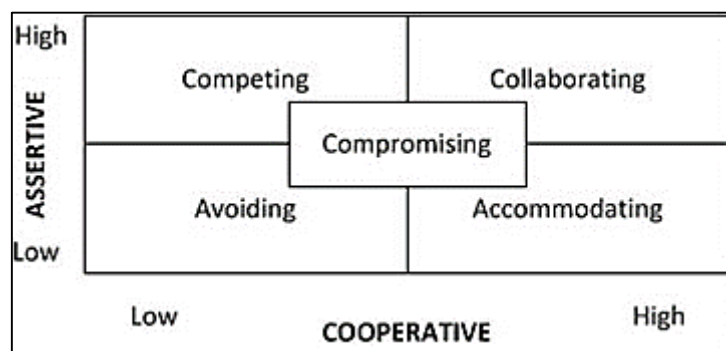
Collaboration works by integrating ideas set out by multiple people. The object is to find a creative solution acceptable to everyone. Collaboration, though useful, calls for a significant time commitment not appropriate to all conflicts. For example, a business owner should work collaboratively with the manager to establish policies, but collaborative decision-making regarding office supplies wastes time better spent on other activities..

4. Compromising:

The compromising strategy typically calls for both sides of a conflict to give up elements of their position in order to establish an acceptable, if not agreeable, solution. This strategy prevails most often in conflicts where the parties hold approximately equivalent power. Business owners frequently employ compromise during contract negotiations with other businesses when each party stands to lose something valuable, such as a customer or necessary service.

5. Competing:

Competition operates as a zero-sum game, in which one side wins and other loses. Highly assertive personalities often fall back on competition as a conflict management strategy. The competitive strategy works best in a limited number of conflicts, such as emergency situations. In general, business owners benefit from holding the competitive strategy in reserve for crisis situations and decisions that generate ill-will, such as pay cuts or layoffs.



CAUSES OF CONFLICTS:

Conflict in a workplace setting can be a normal part of doing business. In some cases, conflict that is managed properly can be beneficial, as when it fosters an environment of healthy competition. However, conflict may also have a detrimental effect. As a manager or business owner, we need to be aware of potential sources of conflict within our work environment.

1. Change:

Implementation of new technology can lead to stressful change. Workers who don't adapt well to change can become overly stressed, which increases the likelihood of conflict in the workplace.

2. Interpersonal Relationships:

When different personalities come together in a workplace, there is always the possibility they won't mesh. Office gossip and rumors can also serve as a catalyst for deterioration of co-worker relationships.

3. Supervisor v/s Employee:

Just as co-worker personalities may not mesh, a supervisor and employee can also experience conflict. A supervisor who is seen as overbearing or unfair can rub an employee the wrong way, which makes the working relationship more difficult.

4. External Changes:

When the economy slides into a recession or a new competitor swoops in and steals some of a company's market share, it can create tension within the company. This stress can lead to conflict between employees and even between upper levels of management.

5. Poor Communication:

Companies or supervisors that don't communicate effectively can create conflict. For example, a supervisor who gives unclear instructions to employees can cause confusion as to who is supposed to do what, which can lead to conflict.

6. Subpar Performance:

When a worker in a department is not "pulling his weight," it can lead to conflict within the department, perhaps even escalating into a confrontational situation. A supervisor who fails to acknowledge or address the situation can add fuel to the fire.

7. Harassment:

Harassment in the workplace can take many forms, such as sexual or racial harassment or even the hazing of a new employee. Companies that don't have strong harassment policies in place are in effect encouraging the behavior, which can result in conflict.

8. Limited Resources:

Companies that are looking to cut costs may scale back on resources such as office equipment, access to a company vehicle or the spending limit on expense accounts. Employees may feel they are competing against each other for resources, which can create friction in the workplace

ISSUES OF SETTling CONFLICT:

1. Poor Planning:

A company that has no formal mediation or conflict resolution process in place runs the risk of having discussions fall apart. Even with a plan, the company should have a neutral party review the facts of the dispute in advance. Failure to speak with each party individually before the

mediation, verify facts with outside sources and consult corporate policy can disrupt proceedings.

2. Lack of Communication:

For a conflict resolution session to be effective, all parties must be willing to listen to the other party's point of view without interruption. Failure of a mediator to maintain control of the exchange and reiterate or summarize points can result in chaos. Further, if a mediator is unable to offer insight, such as to clarify expectations or policies or define responsibilities, the session will be ineffective.

3. Philosophical Differences:

In some instances, feuding colleagues might find no middle ground for agreement. For example, if two colleagues are arguing about religious symbolism or proselytizing in the workplace, their individual belief systems may preclude them from agreeing to disagree on the subject matter. In this instance, corporate policy regarding religious expression in the workplace will need to be enforced.

4. Sense of Unfairness:

If colleagues are disputing the distribution of workload, how assignments are made or how promotions are decided, an underlying feeling of unfairness might linger despite resolution attempts. One colleague may assume favoritism, under appreciation of work product or, in some instances, bias because of race, gender or age. The problem should be clearly defined, as should the outcomes desired by each party.

5. Unwillingness to Compromise:

If one or more parties involved in a conflict refuse to negotiate a solution or compromise in any way, a dispute mediation can come to a halt. This can happen when one party is unwilling to give up ground, work with someone he doesn't like or perform tasks and responsibilities outside the scope of his job description.

6. Unwillingness to Admit Problem:

If one party in a dispute refuses to acknowledge a problem exists or needs to be fixed, resolution can be unattainable. For example, if an employee feels there is nothing wrong with her attitude, language or approach to dealing with customers and cannot be convinced otherwise, management is left with the option of retaining the employee as she is or terminating her employment.

RESOLVING CONFLICTS AND DISPUTES:

We are all familiar with the most traditional dispute-resolution process of our civil justice system: litigation and trial with a judge or jury deciding who is right or wrong where someone wins and someone loses. However, there are many other options available. Negotiation, Affiliation, Mediation, Arbitration often called ADR or alternative dispute resolution are the most well-known.

Whether we are involved in a family or neighborhood dispute or a lawsuit involving thousands of dollars, these processes should be considered. They are often the more appropriate methods

of dispute resolution and can result in a fair, just, reasonable answer for both we and the other party. Settlement and compromise have long been favored in the legal system. In fact, most cases that are filed in a court do settle. Only five percent of all cases filed go to trial. ADR procedures are excellent options for us in dealing with controversy, allowing us to reach resolution earlier and with less expense than traditional litigation. In fact, many courts require parties to consider some form of ADR before going to trial. The following processes describe ways to resolve disputes.

1. NEGOTIATION:

Negotiation is the most basic means of settling differences. It is back-and-forth communication between the parties of the conflict with the goal of trying to find a solution.

Process: We may negotiate directly with the other person. We may hire an attorney to negotiate directly with the other side on our behalf. There are no specific procedures to follow, we can determine our own but it works best if all parties agree to remain calm and not talk at the same time. Depending on our situation, we can negotiate in the board room of a big company, in an office or even in our own living room.

Negotiation allows us to participate directly in decisions that affect us. In the most successful negotiations, the needs of both parties are considered. A negotiated agreement can become a contract and be enforceable.

When and How Negotiation Is Used: Most people negotiate every day. In some circumstances we may want the help of a lawyer to help us negotiate a fair deal. Negotiation is the first method of choice for problem solving and trying to reach a mutually acceptable agreement. If no agreement is reached, we may pursue any of the other options suggested here. This process can be appropriately used at any stage of the conflict before a lawsuit is filed, while a lawsuit is in progress, at the conclusion of a trial, even before or after an appeal is filed.

Characteristics of Negotiation:

- Voluntary
- Private and confidential
- Quick and inexpensive
- Informal and unstructured
- Parties control the process, make their own decisions and reach their own agreements (no third party decision maker)
- Negotiated agreements can be enforceable
- Can result in a win-win solution

2. FACILITATION:

Facilitation is the process by which parties are prepared for negotiation or mediation. While mediated settlements of problems can be very successful, in larger or chronic conflicts the parties often need facilitation before they are ready to negotiate or otherwise interact in a mediated environment. In the process of developing a larger theory of negotiation, the process of facilitation was born. Facilitation may take many forms, from institutionalizing committees to track two analytical initiatives.

Generally facilitation helps groups identify their interests, define legitimacy, understand their relationships, appreciate their alternatives and options to negotiation, and to understand methods for communication. Facilitation also often includes establishing paths of contact and understanding between groups. It uses a variety of processes that aid parties in becoming ready to negotiate. Facilitation is a process that leads towards dispute resolution.

What Facilitation is not?

- Facilitation is not a denial that there are real, objective and true conflicts. Facilitation is not an attempt to "resolve" everything by educating everyone out of subjective misperceptions.
- Facilitation is not appeasement. It is not a process aimed at teaching the group how to give into interests.
- Facilitation is not a process to support power. It does not exist to maintain (or to change) the status quo.
- Facilitation is not a "one shot" solution to any conflict.
- Further, facilitation should not be a process by which a third party seeks to impose a pre-selected solution on a group or groups.

Which Conflicts need Facilitation?

There are traditionally two types of conflicts that benefit from facilitation.

First: conflicts where the parties are refusing to talk to each other. The Middle East Peace Process began with parties that refused to even acknowledge each other's existence and that refused to talk to each other. In this type of conflict, facilitation serves to provide a bridge that allows the parties to talk and to talk effectively.

Second: conflicts where the parties have chronic conflicts and have been unable to reach negotiated settlements that endure. As noted by Robert Fisher, most institutions are not a single rational actor. Facilitation prepares the inside groups and aids them in "buying into" the settlement process in many ways it provides a process for mediating the internal conflicts that prevent a group from ratifying and carrying out a settlement. Often pre-negotiation facilitation grows into a continuing interactive process within the institution engaged in the negotiation process.

Facilitation, like mediation, arbitration, conciliation and other alternative dispute resolution methods, is not a universal tool appropriate for every conflict or problem. However, in the right circumstances it can be a powerful tool that leads towards resolution.

How Facilitation Initiatives are conducted.

There are four types of Facilitation Initiatives (FIs) appropriate to a PADR Center. These are conducted by a neutral (or panel of neutrals) in a "non-official" (non-governmental) setting that is confidential, mediated, and neutral.

➤ **Surrogate Negotiations:**

This is the process of using surrogates to negotiate a surrogate settlement which is reduced to a draft that is then circulated as a "one text" or single negotiated text between the actual parties

and which forms the basis for the beginning of negotiations (with the stated assumption that the "one text" will not be acceptable to either side and that changes will need to be made).

➤ **Concurrent Committees:**

This is the process of setting up intra-group feedback and correlation committees that meet concurrently with continuing negotiations in order to bring the organization along with the negotiation (and the negotiator along with the organization) recognizing that neither positions or groups remain static within the organization while it negotiates with those without.

➤ **Problem Solving Workshops:**

The scholastic method favored by many conflict resolution centers. There are a number of approaches to these workshops, and most alternatives are within the scope of a PADR (Private Alternative Dispute Resolution) Center.

➤ **Peer Training:**

Training peer-to-peer mediators on both sides of a conflict often will begin to generate the necessary understandings and skills base to allow negotiations to go forward. Peer training is an extremely important method of FI that is extremely suited to a PADR Center's size, scope and focus.

Rules Setting (outside the scope of a PADR Center):

Some conflicts will not enter into negotiation until the parties are certain of the rules (usually the controlling law of the situation) where the rules are uncertain. Thus some conflicts require that an outside party adjudicate portions of the conflict by setting rules either by court decisions or legislation that control the nature and effect of a party's best alternative to a negotiated settlement (or BATNA) While a PADR can help parties frame their approach to a legislative, rules making or judicial body, it is a private, not a governmental Center and thus not able to set the rules necessary for a conflict to be negotiated.

Each of these Facilitation Initiatives or FIs will be discussed in its own section(s). Each has its own strengths and weaknesses that depend on the situation, the parties and other matters. The sections will provide greater depth on how a neutral, fair, confidential and appropriate process is applied in each method or FI.

There are additional forms of FI that are more appropriate to other institutions besides a PADR. Further, there is a form of non-Facilitation,

Disengagement, that is appropriate in some circumstances when the parties are no longer able to negotiate face-to-face, and that relates to an end of negotiations between parties.

Finally, a PADR Center can provide follow-up services that keep the resolution successful the so-called "post settlement settlements."

Conclusion:

Often referred to as a modified form of mediation facilitation is a useful service and an important facet of alternative dispute resolution. A Private Alternative Dispute Resolution Center (a PADR Center) can offer services that aid parties in preparing and gaining the necessary skills and

insight that will allow them to successfully negotiate or mediate settlements and resolutions for their disputes and conflicts by providing facilitation services and hosting facilitation initiatives

3. MEDIATION:

Mediation is a voluntary process in which an impartial person (the mediator) helps with communication and promotes reconciliation between the parties which will allow them to reach a mutually acceptable agreement. Mediation often is the next step if negotiation proves unsuccessful.

The mediator manages the process and helps facilitate negotiation between the parties. A mediator does not make a decision nor force an agreement. The parties directly participate and are responsible for negotiating their own settlement or agreement.

At the beginning of the mediation session, the mediator will describe the process and the ground rules. The parties or their attorneys have an opportunity to explain their view of the dispute. Mediation helps each side better understand the other's point of view. Sometimes the mediator will meet separately with each side. Separate "caucusing" can help address emotional and factual issues as well as allow time for receiving legal advice from our attorney. Mediations are generally held in the office of the mediator or other agreed location.

Agreements can be creative. We could reach a solution that might not be available from a court of law. For example, if we owe someone money but don't have the cash, rather than be sued and get a judgment against us, settlement options could include trading something we have for something the other wants. If an agreement is reached, it will generally be reduced to writing. Most people uphold a mediated agreement because they were a part of making it. It can become a contract and be enforceable. If there is no agreement, we have not lost any of our rights and we can pursue other options such as arbitration or going to trial.

When and How Mediation Is Used: When we and the other person are unable to negotiate a resolution to our dispute by ourselves, we may seek the assistance of a mediator who will help us and the other party explore ways of resolving our differences. We may choose to go to mediation with or without a lawyer depending upon the type of problem we have. We may always consult with an attorney prior to finalizing an agreement to be sure that we have made fully informed decisions and that all our rights are protected. Sometimes mediators will suggest that we do this. Mediation can be used in most conflicts ranging from disputes between consumers and merchants, landlords and tenants, employers and employees, family members in such areas as divorce, child custody and visitation rights, eldercare and probate as well as simple or complex business disputes or personal injury matters. Mediation can also be used at any stage of the conflict such as facilitating settlements of a pending lawsuit.

Attorneys and other professionals provide private mediation for a fee. If we have an attorney, we can work together to select a mediator of our choice. We may want a mediator who is knowledgeable about the subject matter of our dispute. We may wish to use a for-fee mediator in the first instance or if Early Settlement mediation has not resulted in a resolution of our dispute. We may also find mediators or mediation services listed in the telephone directory or available on lists provided by some courts or private professional organizations. When selecting a mediator, we should always check their credentials and get references. Mediators qualified under the District Court Mediation Act or certified pursuant to the Dispute Resolution Act meet statutory standards of training and experience.

Who Provides This Service: Public mediation services are available through Early Settlement Regional Centers located statewide. A list of the regional centers can be found online at www.oscn.net/static/adr. This program provides the services of volunteer mediators, trained and certified to mediate in the Administrative Office of the Oklahoma Supreme Court. Mediators in this system are assigned to mediate your dispute by the various program administrators. They are available at minimal or no charge to help you resolve conflicts, often without the assistance of an attorney or the need to go to court.

We may also find mediation in our state and federal court systems called court-sponsored mediation. Generally we and our attorney may select a private mediator or choose a public service. Fees may apply. Judges are frequently referring cases to settlement procedures such as mediation to help litigants resolve their disputes in less time and with less cost than litigation and trial.

Characteristics of Mediation:

- Promotes communication and cooperation
- Provides a basis to resolve disputes on our own
- Voluntary, informal and flexible
- Private and confidential, avoiding public disclosure of personal or business problems
- Can reduce hostility and preserve ongoing relationships
- Allows us to avoid the uncertainty, time, cost and stress of going to trial
- Allows us to make mutually acceptable agreements tailored to meet your needs
- Can result in a win-win solution

4. ARBITRATION:

Arbitration is the submission of a disputed matter to an impartial person (the arbitrator) for decision.

The Process: Arbitration is typically an out-of-court method for resolving a dispute. The arbitrator controls the process, will listen to both sides and make a decision. Like a trial, only one side will prevail. Unlike a trial, appeal rights are limited.

In a more formal setting, the arbitrator will conduct a hearing where all of the parties present evidence through documents, exhibits and testimony. The parties may agree to, in some instances, establish their own procedure; or an administering organization may provide procedures. There can be either one arbitrator or a panel of three arbitrators. An arbitration hearing is usually held in offices or other meeting rooms.

The result can be binding if all parties have previously agreed to be bound by the decision. In that case, the right to appeal the arbitrator's decision is very limited. An arbitrator's award can be reduced to judgment in a court and thus be enforceable. In nonbinding arbitration, a decision may become final if all parties agree to accept it or it may serve to help you evaluate the case and be a starting point for settlement talks.

How and When Arbitration Is Used: A common use of arbitration is in the area of labor disputes between fire fighters and the city in wage disputes, for example. We will usually be represented by an attorney in arbitration.

Many contracts have clauses which require that disputes arising out of that contract be arbitrated. We may have seen such a provision when we applied for a credit card or opened a retirement account or other account with a stock broker. We may want to explore using this process if we and the other side agree that the problem needs to have someone make a decision but we do not want the expense of going through the court process. If we agree to arbitrate or sign a contract with an arbitration clause, we should understand that the arbitrator may make the final decision and that we may be waiving our right to a trial in court.

Who Provides This Service: Many attorneys, other professionals or professional associations offer their services as arbitrators. Typically our attorney will select the arbitrator based upon the particular type of the dispute. In complex and highly technical cases, often an arbitrator who is knowledgeable in that field is chosen. Usually fees are charged. Some courts offer court-sponsored, nonbinding arbitration and have specific procedural rules to follow.

Characteristics of Arbitration:

- Can be used voluntarily
- Private (unless the limited court appeal is made)
- Maybe less formal and structured than going to court, depending on applicable arbitration rules
- Usually quicker and less expensive than going to court, depending on applicable arbitration rules
- Each party will have the opportunity to present evidence and make arguments
- May have a right to choose an arbitrator with specialized expertise
- A decision will be made by the arbitrator which may resolve the dispute and be final
- Arbitrator's award can be enforced in a court
- If nonbinding, we still have the right to a trial

5. LITIGATION (Going To Court):

Litigation is the use of the courts and civil justice system to resolve legal controversies. Litigation can be used to compel opposing party to participate in the solution.

The Process: Litigation is begun by filing a lawsuit in a court. Specific rules of procedure, discovery and presentation of evidence must be followed. The attorney for the other side will want to take our deposition to learn more about the facts as we see them and our position in the case. There can be a number of court appearances by us and/or our lawyer. If the parties cannot agree how to settle the case, either the judge or a jury will decide the dispute for us through a trial.

A trial is a formal judicial proceeding allowing full examination and determination of all the issues between the parties with each side presenting its case to either a jury or a judge. The decision is made by applying the facts of the case to the applicable law. That verdict or decision can conclude the litigation process and be enforceable; however, if appropriate, the loser can appeal the decision to a higher court. In some cases, the losing party may have to pay the costs of the lawsuit and may have to pay the other party's attorney fees.

How and When Litigation Is Used: Our American civil justice system is one of the best in the world. Our Constitution gives us the right to a fair trial. If we want our day in court with a judge

or jury of our peers deciding the outcome, then the pursuit of litigation and trial of the case is for us.

We may be in a municipal court, state district court or a federal court depending on the type of dispute we have and where our attorney files our case or where we get sued. State court trial judges are elected on a nonpartisan ballot, though vacancies are filled through an appointment process from highly qualified applicants. The district courts also appoint special judges, who handle certain kinds of cases, such as small claims and divorces. These judges are selected by the district judges from qualified applicants. Federal district judges are nominated by the president and confirmed by the U.S. Senate. Federal magistrates are selected by the federal district judges. In all courts, cases are randomly assigned to the various judges. We have no choice concerning which judge will hear our case. Juries are randomly selected from a jury wheel of licensed drivers within each state judicial district and, in the case of federal court juries, from a jury wheel of registered voters and driver's license holders.

If we cannot settle our differences through negotiation, mediation, arbitration or some other means, then we should pursue litigation through the courts with our lawyer.

Characteristics of Litigation:

- Involuntary - a defendant must participate (no choice)
- Formal and structured rules of evidence and procedure
- Each party has the opportunity to present its evidence and argument and cross-examine the other side - there are procedural safeguards
- Public - court proceedings and records are open
- The decision is based on the law
- The decision can be final and binding
- Right of appeal exists
- Losing party may pay costs