

116

T. R. NO. 116

Technical Report

THE PERSONNEL MANAGER AND
COMMUNITY RELATIONS

by

Prof. Arun Mohappa

IIM
WP-116



**INDIAN INSTITUTE OF MANAGEMENT
AHMEDABAD**

THE PERSONNEL MANAGER AND
COMMUNITY RELATIONS

by

Prof. Arun Monappa

WP116



WP

1976

(116)

T.R. No. 116
June, 1976

Indian Institute of Management
Ahmedabad

THE PERSONNEL MANAGER AND COMMUNITY RELATIONS

By

Prof. Arun Monappa

Personnel Management has traditionally been concerned in the main, with employee welfare, once he enters the work place. Though admittedly some exceptions would negate this statement, like employee housing and transportation, the former is not universal, while the latter is a direct result of marshalling the human resources for operation of the machine investment.

The government legislates various welfare measures from time to time. The employers must comply with the basic requirements of the legislation, which spells out the bare minimum that they are expected to do, but nothing prevents the employers from providing more than is specified in the legislation, in fact, it is to their advantage and instances have not been lacking where employers have taken the initiative and provided welfare facilities in much greater measure than was deemed necessary by legislation. However, when welfare legislation for instance is enacted, it is the state that is laying down the norms of expectation, from the employers rather than the employer taking the initiative.

The approach has been that of a contractual relationship with the employees offering a service and the employers accepting the service and paying a wage for the services rendered. With the social welfare orientation of modern government systems, various measures have been introduced for the industrial workers.

All this apart, it is suggested that employers change their perspective and take a wider look at the "whole man", rather than the "worker" who presents himself at the gate in the morning and leaves in the evening and there ends the employers concern for the employee.

An employee is a citizen, a worker, a parent and so on. When he is on the shop floor it is difficult for him to divert himself from the other facets of his being, i.e. the multiple roles that characterise his life. The problems and concerns of the other roles if they are significant will certainly spill over into his working role. This is one aspect of the issue. Yet there are wider issues of concern to an employer and to a personnel manager in particular. It is the latter who is responsible for the efficient handling of human resources, in order that corporate goals and objectives will be achieved. What is being suggested here is that the personnel manager needs to extend the scope of his concern for employee well being to beyond the working hours, to help mitigate some of the problems that an employee faces, in fulfilling his other role expectations and in a wider sense to the community from where the employee comes, to playing a greater service role, than what is provided for in the various statutes.

The concept of a wider dimension, for the personnel function particularly the welfare aspect, i.e., the company getting involved in the community affairs is not entirely new.

The steel towns for instance have not only taken for granted, welfare aspects like housing, health, transport, education and recreation but have extended the parameters of their activity to the four corners of the rural area, from where they draw their work force getting into area development, cultivation, sanitation, education, employment and marketing of goods. The textile labour association of Ahmedabad has for long been involved in providing many welfare activities, including training wives of employees to learn certain skills, which will enable them to supplement their husbands income.

The concept then is one of giving back to the community as much as the firm takes from it. It is the concept of a firm's social obligation. An enterprise cannot exist in a vacuum. True these days profit criteria and hence viability are important. Even here there are ethical issues involved in terms of quantum of profit, given the environmental factors, and in many cases, where the consumers interests are least protected. But these issues apart, our concern here is with the social systems of the enterprise and its interrelationship with the larger social system of the community. The two have to coexist, as they are basically part of the same system - the community where they come from.

An organization's concern is not merely with its financial viability, but once that has been achieved, it also has a social cost to pay, it is subject to a social audit, in terms of what it gives to the community, which would include quality products at fair prices, but also in terms of what it does for the community of which it is an integrated part and on whose support it thrives. For in the final analysis, even the government on which the enterprise depends so much, is after all a delegated body of the total community. The enterprise then has an obligation to do more

in the social sense, than merely produce goods and services and close its doors to the outside world at the end of each working day.

The concept of ensuring social return to the community would primarily rest with the personnel manager. The personnel manager for instance could extend the range of welfare activity to the community in which the enterprise is located. Let us look at three possible areas of action.

1. Housing: In many instances the enterprise is not able to provide housing for all its employees. Admittedly the investment in such fixed assets is enormous, with little scope of good pay off in the short run, yet it is a truism that the living conditions and localities, where the working class lives is shabby and unhygienic, with little or no privacy. The personnel manager of an enterprise may not on his own be able to solve the problem, yet there are several alternatives open to him in this regard. If it is a medium to large enterprise then the feasibility is greater for it to go alone, than if it is a small enterprise. For the former the government and other semi government bodies offer funds at moderate rates for housing purposes, for the latter it should be feasible if a number of small industrialists got together and started a housing scheme. Instances have not been lacking, where even with government support, employers have been reluctant to provide housing facilities. For e.g., prior to nationalisation of the coal mines, the mine owners had not utilized Rs. 12 crores for housing projects, sanctioned to them by the coal mines labour housing board (Illustrated Weekly of India, 16th May 1976). Yet another alternative would be for the personnel manager to be instrumental in starting a cooperative housing scheme. If a start were made with

the employees of the enterprise, then the effort could spread to the local area itself. With his resources and knowledge the personnel manager would be rendering a service, to the other members of the community from where his work force is drawn. In the long run, not only will there be better housing facilities, but the future labour force may come from the same locality, a more direct pay off, besides the social service concept.

Without either adequate or hygienic housing an employee's morale is bound to be low, either with preoccupations of security of a roof over his head for him and his family, or else due to congestion and lack of privacy. This is bound to have some effect on his attitude that he brings to the work situation. Yet on his own resources the employee, may not be able to provide for himself modest living accommodation. Neither can the government build houses for everyone. Being a matter of priorities, it has to spend its scarce resources on the most pressing of cases, but more than that, has not the personnel manager a larger obligation to his workforce in particular and to the community where his plant is located and from which he gets his work force in general, to provide this basic amenity.

2. Medical Care: One could consider not only medical treatment for illness and injury but also preventive aspects like family planning, general health and hygiene.

The type of services that are provided now, either in terms of factory clinics and ESI schemes, while they do offer something by way of medicare, are really inadequate and totally impersonal. Besides the procedural formalities are such, as to dissuade many. However, even assuming all these problems could be taken care of, by tinkering with the system, there are still areas, which are left uncovered.

The enterprise or a group of enterprises could join together for a given area and offer medical services, not only for the employees but also for other inhabitants of the locality. Instead of people having to move out of their residential localities to hospitals and clinics, medicare would now be available at their doorsteps, perhaps on a more personal basis, which is what the patient needs when he is ill. This scheme would benefit not only the employed persons, but also members of the community of which the workforce is only a part. Much more could be done by firms for the local community in the preventive area, like family planning, hygiene, sanitation etc. In these matters, there has been the assumption that it is the concern of the government or the local bodies, rather than that of the enterprise. Yet it is possible for the firm to supplement the efforts of these bodies or agencies in localities, where they are located and from where their work force is drawn. One need not stress the obvious advantages and the priorities attached to the family planning programmes. If the many firms in the country could contribute to their localities well being, it will definitely supplement the government efforts, and the larger national interests.

3. Social Concerns: The third is a wider area and would include alcoholism counselling and financial guidance. Recent pronouncements on the dowry system, on indebtedness, on prohibition all go to illustrate the variety, the complexity and multitude of issues that are involved. For instance the personnel manager could organise help to his employees and the working community in the locality, advice on savings plans, or even sources of loans rather than have people borrow from money lenders at exorbitant rates and then be bonded for a long while. This leads not only to a social

stigma for him and his family in the locality, but even brands his children, even before they have started "life". Such social degradation and long lasting indebtedness can easily be avoided with a little help and guidance.

The harmful effects of alcohol addiction and its impact not only on family life, but also on the job, in terms of absenteeism are well known. The approach that has been tried is to ban alcohol altogether i.e. prohibition. But has this prescription really solved the chronic problem? To take another experience, experiments with prohibition have been tried in the US and have failed. While accepting the harmful effects of alcohol, particularly in excess, some kind of a practical via media, needs to be considered. One alternative would be to ban hard liquor altogether, and keep it on the permit system (except Brandy, which has traditionally been sold for its medicinal properties as an OTC product). On the other hand, beer should be made freely available and priced in the same range as the present day illicit liquor. With the comparable price and easy availability a massive campaign to point out the harmful effects of illicit liquor should be undertaken. Such a policy would be more in reality of providing liquor, which cannot do much harm, but yet provide an outlet. Along with this the alcohol content could also be reduced. What one may ask is the role of the personnel manager in the government's prohibition policy. A realistic approach can be lobbied through various forums, including chambers of commerce and industry, employer's organization, trade union bodies and through local politicians in the community. They could act as catalysts of social change and supplement the efforts of many voluntary agencies and government bodies in enhancing the social betterment and quality of life of the worker and members of the community. Eradication of the drinking habit on moral grounds alone, may not be the best solution given the realities of the situation. Some states like Punjab have taken a step in this direction.

Personnel functionaries need to add a broader perspective to their concept of the function, as it is handled in India to day. The limited labour welfare role, which is the states concept of what the organization should be doing for its employees, only sets the floor. Yet, in some organizations and in some industries much has been done, either due to the locational context of the enterprises or due to a different or wider philosophical approach to the function. In fact this approach can be considered wider only in the Indian context. There are two dimensions to this approach, one at the individual level, starting with a wider concern for employee well being outside the factory premises, in order to take a more integrated approach of his existence, to enhance the quality of his life, for which the firm, could be considered to have not only a social but a moral obligation as well. The other dimension being to integrate the individual employee with the community of which he is a part and of which the enterprise is a part and needs to plough back something or at least be concerned and take an interest in the environment around it.