

Available online at www.elixirpublishers.com (Elixir International Journal)

### **Organizational Behaviour**

Elixir Org. Behaviour 79 (2015) 30379-30385



# A Study on HR polices for Effective Management of NGOs with reference to NGOs of Hubli-Dharwad

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#### ARTICLE INFO

#### Article history:

Received: 30 December 2014; Received in revised form:

20 January 2015;

Accepted: 11 February 2015;

#### **Keywords**

NGO, Human Rights, Non-Profit Making, HR Policies, Intergovernmental agencies, HR procedures.

#### **ABSTRACT**

The term, "non-governmental organization" or NGO, came into use in 1945 because of the need for the UN to differentiate in its Charter between participation rights for intergovernmental specialized agencies and those for international private organizations. At the UN, virtually all types of private bodies can be recognized as NGOs. They only have to be independent from government control, not seeking to challenge governments either as a political party or by a narrow focus on human rights, non-profit-making and non-criminal. The structures of NGOs vary considerably. With the improvement in communications, more locally-based groups, referred to as grass-roots organizations or community based organizations, have become active at the national or even the global level, t is thus important for the NGO to have transparency in its operations and goals so that its relationship. Human Resources (HR) is the function that deals with managing an organization's most important asset—the people who do its work. Ideally, HR policies and rules are designed to level the playing field; to help guide and protect staff and volunteers so they can contribute to the best of their abilities. Effective HR policies and procedures also help attract and retain the right people for each job and support the team who will accomplish the organization's goals.

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#### Introduction

The structures of NGOs vary considerably. With the improvement in communications, more locally-based groups, referred to as grass-roots organizations or community based organizations, have become active at the national or even the global level. Increasingly this occurs through the formation of coalitions with other NGOs for particular goals, such as was the case in the case of the Bam earthquake for example. A civil society is composed of three sectors: government, the private sector and civil society, excluding businesses. NGOs are components of social movements within a civil society. In the case of Iran, where civil society is not yet mature, NGOs can have an important role in strengthening the foundations of an emergent civil society. The issue of independence is an important one in the credibility of an NGO. It is hard for NGOs not to come under any governmental influence. Individual governments do at times try to influence the NGO community in a particular field, by establishing NGOs that promote their policies. This has been recognized by quite common use of the acronym GONGO, to label a government-organized NGO. Also, in more authoritarian societies, NGOs may find it very difficult to act independently and they may not receive acknowledgment from other political actors even when they are acting independently. On the other hand, development humanitarian relief NGOs need substantial resources, to run their operational programs, so most of them readily accept official funds. It is thus important for the NGO to have transparency in its operations and goals so that its relationship.

#### Types of NGOs

NGOs can be distinguished into two groups: Operational and advocacy NGOs. This may be interpreted as the choice between small-scale change achieved directly through projects

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and large-scale change promoted indirectly through influence on the political system.

Operational NGOs have to mobilize resources, in the form of financial donations, materials or volunteer labor, in order to sustain their projects and programs. This process may require quite complex organization. Major fund-raising events require skills in advertising, media relations and motivating supporters. Thus, operational NGOs need to possess an efficient headquarters bureaucracy, in addition to the operational staff in the field.

Advocacy NGOs will carry out much the same functions, but with a different balance between them. Fund-raising is still necessary, but on a smaller scale and it can serve the symbolic function of strengthening the donors' identification with the cause. Persuading people to donate their time is necessary, but, in addition to a small number of people giving a great deal of time, it is also necessary to be able to mobilize large numbers for brief periods. External donors may not impose onerous administrative burdens, but supporters still have to be supplied with information on an efficient regular basis. Major events will aim to attract favorable publicity rather than raise funds.

Therefore, despite their differences, both operational and advocacy NGOs need to engage in fund-raising, mobilization of work by supporters, organizing special events, cultivating the media and administering a headquarters. Only the defining activities – implementing projects or holding demonstrations – serve to differentiate them. In reality, the distinctions are not as sharp as the labels suggest. Operational NGOs often move into advocacy when projects regularly face similar problems and the impact of the projects seems to be insufficient. All the large development and environment operational NGOs now run some regular campaigns, at least by supporting campaigning networks. Similarly, advocacy NGOs often feels they cannot

ignore the immediate practical problems of people in their policy domain. Human rights NGOs and women's NGOs end up having programs to assist the victims of discrimination and injustice.

#### Range of NGO Activities

- Community Health Promotion and Education
- Emerging health crises
- Community Social Problems
- Environmental
- Economic
- Development
- Women's Issues

#### Theoretical Background

Human Resources (HR) is the function that deals with managing an organization's most important asset—the people who do its work. Ideally, HR policies and rules are designed to level the playing field; to help guide and protect staff and volunteers so they can contribute to the best of their abilities. Effective HR policies and procedures also help attract and retain the right people for each job and support the team who will accomplish the organization's goals.

Although some HR policies must follow local law as well as donor requirements, most should reflect an NGO's own mission, vision and values. This section introduces fundamental HR concepts and highlights some of the policies that USAID-funded organizations must follow. It also explores practical ways to motivate staff, as well as to recruit and manage volunteers.

HR Policies—A set of rules, values or guiding principles that define how an organization addresses human resources-related matters

**HR Procedures**—Specific steps needed to implement an HR policy.

**HR Practices**—how policies and procedures are actually designed and implemented.

#### HR Policies cover the following:

- Policy of hiring people with due respect to factors like reservations, sex, marital status, and the like.
- Policy on terms and conditions of employment-compensation policy and methods, hours of work, overtime, promotion, transfer, lay-off and the like.
- Policy with regard medical assistance-sickness benefits, ESI and company medical benefits.
- Policy regarding housing, transport, uniform and allowances.
- Policy regarding training and development-need for, methods of, and frequency of training and development.
- Policy regarding industrial relations, trade-union recognition, Collective bargaining, grievance procedure, participative management and communication with workers.

#### Why Develop An HR Policy?

- To help the employees and management teams run the organization in an efficient manner.
- To help take major human resource decisions, develop company guidelines and procedures that can make the organization a better run entity.
- To help in documenting and communicating to all the employees the management's plans, rules, intents and business procedures.
- To help in comparing the policy alternatives, understanding their importance and evaluating the company's current practices.
- To save countless hours of management time.
- To prevent mere legal issues from becoming serious legal problems.

- To organize and announce the management's plans for the growth of the organization and also explain employee benefits and workplace issues.
- To define management standards for making decisions on various personal and organizational issues.
- To help an organization run at its most cost-effective and efficient level thereby bringing about additional revenue.
- To protect the legal interest of the company as well as define the rights and obligation of the employees and the company.

#### **How Do They Help?**

HR Policies also provide guidance in the following highlighted areas:

- Ensures that the employees dedicate themselves to total quality and constant, never ending improvement of the organization.
- Hiring people on the basis of skill, training, attitude, ability and character, being oblivious to other discriminatory factors like age, color, sex, race, creed, national origin, religion, political belief or disability that does not prohibit performance of essential job functions.
- Pay all the employees according to their effort and contribution to the success of the business.
- Operating an economically successful business so that a consistent level of steady work is available.
- Review wages, employee benefits and working conditions constantly with objectives of providing maximum benefits in these areas, consistent with sound business practice.
- Provide paid vacations and holidays to all eligible employees. Provide eligible employees with medical and other benefits.
- Develop competent people who understand and meet organization's objectives and who accept ideas, suggestions and constructive criticism of fellow employees with an open mind.
- Address complaints which may arise in everyday conduct of the business, promptly in a practical way. Respect individual rights and treat all employees with courtesy and consideration and help in maintaining mutual respect in the workplace leading to an amicable ambience.

#### Benefits of hr policies

The human resources department of your company is the cornerstone of interaction with and management of your workforce. The company policies your human resources department creates are essential to the organization and productivity of your business. That said, there are numerous benefits to implementing human resources policies in your business.

- Recruitment and Selection
- Training and Professional Development
- Handling Employee Concerns
- Workplace Safety
- Organizational Structure
- Employment Rules

#### Research Design

#### Need for the study

The human resources policy is necessary to make all employees clear on what policies are applied consistently and fairly across the organization and to help the management run the organization in an efficient manner, to define management standards for decision on various personnel and organizational issues. Rising need for NGO in the world for various causes, Hence the need to study the HR policies in organization.

#### Scope of study

- Scope of study is limited to Hubli Dharwad.
- The study provides a framework of basic concept of importance of HR policy

• The study helps to understand the different policies applied consistently across the organization.

#### Title of the project

"A Study on HR Policies for Effective Management of NGOs"

#### **Objectives of study**

- To know the awareness of the employees about HR Policies at Akshayapatra.
- To understand the HR Policies regarding Compensation and Benefits, Dress Code, Leave, Separation, Recruitment Politics Etc.
- To know the attitude of the employees regarding sexual harassment policy, referral policy, separation policy, and travel policy.
- To know the satisfaction level of employees regarding the HR Policies.
- To offer valuable suggestion or implementation of new HR Policies.

#### Type of research

The research is descriptive type. Descriptive research provides the researchers with a general understanding of the problem and seeks conclusive data to answer question necessary to determine a particular cause of action.

#### Sample Unit

The study was conducted at various NGOs of Hubli - Dharwad

#### Sample Size

The data is prepared based on the gathered information. The sample size of 50 respondents was evaluated, collected and considered.

#### **Sampling Method**

The respondents were chosen on the basis of probability method of sampling called Simple random sampling.

#### Type of data collection

To know the Employee Morale, the following source of data was used.

#### 1. Primary Data:

- ✓ Questionnaire Survey.
- ✓ Interaction with the employees.

#### 2. Secondary Data:

- ✓ Company websites
- ✓ Company handbook
- ✓ Previous records

#### Method of analysis

Raw primary data was collected with the help of a questionnaire. The raw data was then tabulated. Based on this bar chart and pie chart were prepared. Analysis was conducted and interpreted. Conclusions were drawn based on that.

#### **Statistical Tools For Analysis**

Statistical tools such as tabulation, percentage calculation, and construction of bar charts and pie charts column charts are used.

#### Limitations of the Study

- The data collected from the respondents is assumed to be true.
- The study was restricted within the hubli-Dharwad
- As the sample size was only 50, the inference drawn from the study may not be applicable for large sample size.
- The information was collected through questionnaire and the actual perception of the respondents may differ.
- Most of the employees were busy with their tight schedule and they don't want to be disturbed.

#### **Data Analysis And Interpretation**

- The analysis is based on the survey conducted using questionnaire. The analysis of each question and their interpretations are as follows:
- Qno.1 Awareness of Hr policy
- Qno.1 HR policies which they are aware of



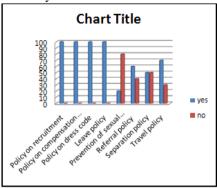


Fig Awareness of HR Policy

Interpretation: from the figures it can be interpreted that all the respondents are aware of HR policies prevailing.

Qno.2 What are different methods used by the organization to inform the employees about the policies?

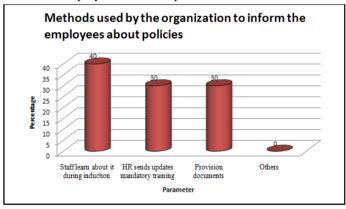


Fig: Methods used by the organization to inform the employees about policies

Interpretation: From the above graph, it is inferred that 40% of the respondents says that Staff learn about it during induction, 30% of respondents say his HR updates and remaining 30% of respondents say they are informed through the provision document.

Qno.3 Does your organization have fair recruitment policy? Qno.3.1 Does your organization follow a strict selection procedure?



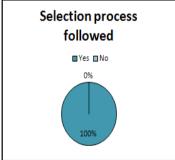


Fig : Showing Selection and Recruitment being held in strict format

Interpretation: From the above graph, it is inferred that 100% of the respondents say yes that the recruitment policy and selection procedure in the organization is fair Qno.4.1 Does your organization have fair Compensation and Benefits policy?

Qno.4.2 what are the deductions included in your salary?

Qno.4.3 which are the categories of employees covered under this policy?

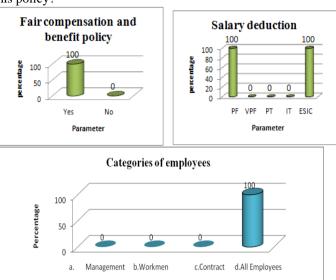


Fig: Showing Policy on Compensation and Benefits

Interpretation: From the above graphs oit can be interpreted that there is fair compensation and benefit policy, The salary deductions are being done in PF and ESIC and these benefits are available to all employees.

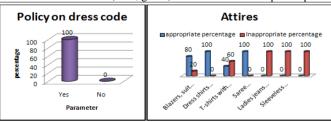
Qno.5.1 Does your organization have fair Dress code policy? Qno.5.2 According to the following policy which are the

appropriate and inappropriate Attires.

Attire	Appropriate	Inappropriate
Blazers, suits & ties		
Dress shirts with buttons and collars		
T-shirts with messages (non spiritual)		
Saree , Salwar Kameez		
Ladies jeans with short tops		
Sleeveless attire		
Long Skirts & Shirts		

Qno5.3 What are other standard of appearances

Appearances		No
Hair should be clean, combed & neatly trimmed		
Tattoos & Body piercing should not be visible		
Fingernail and hands should be clean and hygienic		
un-natural hair colors (blue, green) should not be used		



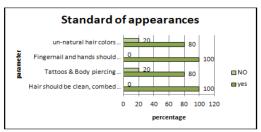


Fig: Showing Policy on Dress Code

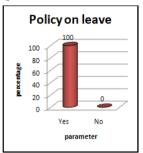
Interpretation:- From the graph its clear that there exists a dress code. From next the graph most of the respondents say that dress form should be pleasing and not fancy and from the figure it can be interpreted that the hair should be combed and trimmed properly and use natural colours should not be used, body piercing is also not appropriate.

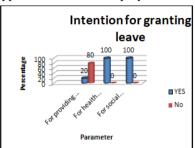
Qno 6.1 Does your organization have fair policy on leave?

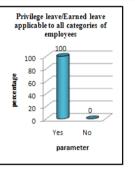
Qno 6.2 What is the main intention for granting leave to employees?

Qno 6.3 According to the policy is Privilege Leave / Earned Leave is provided to all employees?

Qno 6.4 Is the casual leave applicable to all the employees?







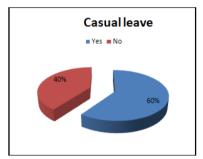


Fig: Showing Policy on Leave

Interpretation: - From the fig it can be interpreted that there is a fair leave policy in the organizations. Fig specifies that 80% of the leave is granted take rest and rest of the respondent say that leave is granted for health problem and social obligation. From the fig it can be interpreted that earned leave is applicable for all categories of employees. From the fig interprets that casual leave is applicable for all employees.

Qno 7.1 Does your organization have fair prevention of sexual harassment policy?

Ono 7.2 Who are the member of the committee.

Qno 7.3 What are the preventive measures taken by the Committee on Sexual Harassment?

Qno 7.4 Have the employees faced sexual harassment in the company

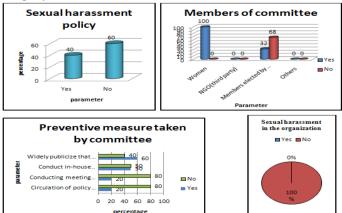


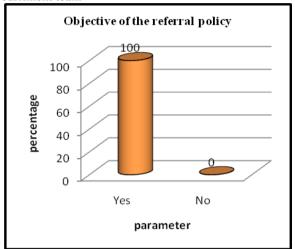
Fig: Showing Policy on Sexual Harassment

Interpretation: From the above graphs it can be consolidated and interpreted that there is policy framed for prevention of sexual harassment and most of the respondents say that women's and members elected by the management are members of the committee and committee takes various steps to prevent it by adopting various strategies such as conducting meeting, circulation of notice etc and the respondents say that till date there is no report of sexual harassment in the organization.

QNo 8.1 The main objective of Employee referral programs is an attempt to address the recruitment difficulties experienced by organizations.

QNo 8.2 Who are the employees applicable for this scheme?

- a. All employees
- b.Divisional/Unit/Department Heads
- C.Recuritment team



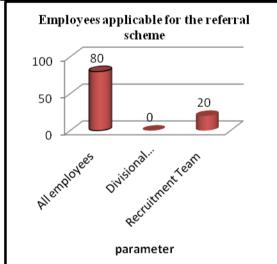


Fig: Showing Policy on Referrals

Interpretation: From the above figure it can be interpreted that the referral policy objective is to convey the difficulties in head hunting capable candidates and figure conveys that 80% of the respondents say that all the employees can refer and 20% of the respondents say only recruitment can go for referrals.

Qno 9.1 Does your organization have fair travel policy?

Qno 9.2 What are the travel expenditure covered under this policy

- a. Mode and class of travel
- b. Accommodation
- c.Food
- d.Incidental/Laundry expenses
- e.Local conveyance

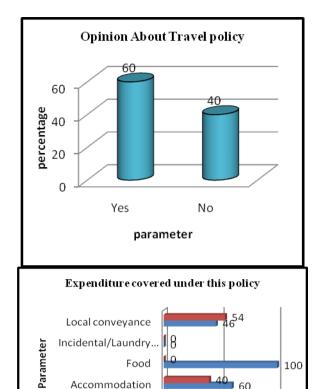


Fig: Showing Policy on Travel

Mode and class of..

Interpretation: From the graph 9.1 it can be interpreted that 60% of the respondents say that there is affair travel policy and rest of the respondents do not agree with it. Fig 9.2 conveys that expenditure incurred on the food is fully borne by the organization with reference to local conveyance 54% disagree and rest agree, Accomodation 60% agree and Mode and class of travel expenditure 80% agree this policy covers.

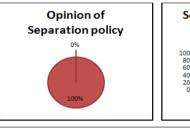
Qno 10 .1 Does your organization have fair prevention of separation policy?

Qno 10.2 What is the services notice period for this policy?

a.3 months ()
b.2 months ()
c. 1months ()

d. less than 1 months ( )

Qno 10.3 Is the exit interview conducted in the organization?





80

100

50

Percentage

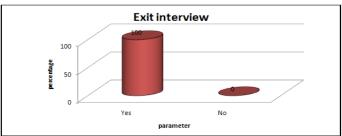
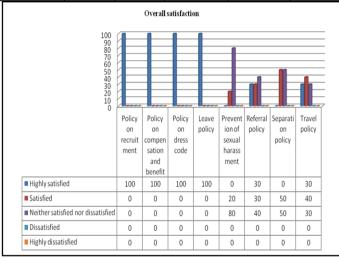


Fig: Showing Policy on Separation

Interpretation: From the figure 10.1 it can be interpreted that respondents say that there is fair separation policy being followed and fig 10.2 say that notice period is 1 month and fig 10.3 say that there is exit interviews being conducted.

Qno 11 Are you overall satisfied with the below policies

POLICIES	Highly satisfied	satisfied	Neither satisfied	dissatisfied	Highly dissatisfied
			nor dissatisfied		
Policy on recruitment					
Policy on compensation and benefit					
Policy on dress code					
Leave policy					
Prevention of sexual harassment					
Referral policy					
Travel policy					
Separation policy					



Interpretation :- 1) Recruitment Policy : All the respondents are highly satisfied

- 2) Compensation Policy : All the respondents are highly satisfied
- 3) Dress Code Policy: All the respondents are highly satisfied
- 4) Leave Policy: All the respondents are highly satisfied.
- 5) Sexual Harassment Policy : 20% are satisfied and rest neither satisfied nor dissatisfied
- 6) Referral Policy: 30% are highly satisfied and other 30% satisfies and rest 40% neither satisfied nor dissatisfied
- 7) Travel Policy: 30% are highly satisfied and other 40% satisfies and rest 30% neither satisfied nor dissatisfied
- 8) Separation Policy: 50% are highly satisfied and other 50% satisfied

#### **Findings**

## $1.\, To$ know the awareness of the employees about HR Policies at Akshayapatra.

- Most of the employees are aware of policy on Policy on recruitment (100%), Policy on compensation and benefit (100%), Policy on dress code (100%), Leave policy (100%), Referral policy (60%), and separation policy (50%) Travel policy (70%), but most of the employees are not aware of the Prevention of sexual harassment (80%).
- 2. To understand the HR policies regarding Recruitment, Compensation and Benefit, Dress Code, policy on Leave.

- All the employees say that (100%) they have fair Recruitment policy and Recruitment policy includes the main content as to ensure to hire the right people for right role at right time (80%).
- All the employees say that the selection process followed is the same procedure as mention in policy (100%),All the employees says that compensation and benefit is fair and all the employees are covered under this policy.
- All the employees say that the salary involves PF and ESIC.
- all the employees say that the organization has fair dress code policy.
- Majority of the employees (80% says Blazers, suits & tie are appropriate dress shirts with buttons and collars (100%) Saree, Salwar Kameez(100%) are appropriate in their organization T-shirts with messages (non spiritual)(60%), Ladies jeans with short tops (100%), Long Skirts & Shirts (100%) are appropriate.
- It is found from the study that that all the employees say that leave policy is fair and all categories of employees can avail Earned leave and Privilege leave (100%). causal leave is applicable to all employees.100%
- 3. To know the attitude of the employees regarding sexual harassment policy, referral policy, separation policy and travel policy.
- Most of employees say that the sexual harassment is not fair (60%)
- Most of the employees say that women is one of the member of the Sexual Harassment committee on Sexual Harassment is by widely publicizing that Sexual Harassment is a crime & will not be tolerated (60%),
- All the employee says that they have not faced any kind of sexual harassment in the organization.
- All the employee says that The main objective of Employee referral programs is an attempt to address the recruitment difficulties experienced by organization.80% of the employees says that all the employees are applicable for this scheme.
- All the employees say that they have a fair separation policy and the service notice period is one month, exit interview is conducted in the organization and 80% of the employees says that the benefits like Mobile phones, Laptops, Personal computer, Organization leased apartment, Organization leased car etc., is required to be deposited with the organization well within employees last working day,
- All the employees say that they have a fair separation policy and the service notice period is one month, exit interview is conducted in the organization and 80% of the employees says that the benefits like Mobile phones, Laptops, Personal computer, Organization leased apartment, Organization leased car etc., is required to be deposited with the organization well within employees last working day,
- 60% of the employees say organization has fair travel policy.
- Most of the employees says that the travel expenditure covered under this policy includes Mode and class of travel (80%), Accommodation (60%), Food (100%), and documents required to submit while by availing the facilities are Air tickets, Train tickets (80%), Hotel lodging and boarding bills (60%).

#### Satisfaction level of the employees

- All the employees are highly satisfied with policy on recruitment, policy on compensation and benefits, policy on dress code and leave policy.
- Most of the employees are neutral about prevention of sexual harassment policy (80%), separation policy (80%),
- Most of the employees are highly satisfied (60%) and satisfied (60%) with referral policy and travel policy.

#### Recommendations

- Employees are not aware of prevention on sexual harassment policy, referral policy, separation policy, so awareness has to be created to all employees and details on each and every policy should be communicated to the employees.
- Employees are not aware of the benefits of this policies. So, organization should also communicate the benefits of having this policy.
- Employees say that mostly Staff learns about HR policy during induction and updates by the HR during training. Even though the employees are not very much clear on the same so the induction training should emphasis more elaborately on the different policies and also the employees participation should be encouraged to know whether they have understood them.
- All the employees say that PF and ESIC are the only deduction which can take into consideration but according to the policy VPF, IT and PT extra deduction which the employees are made to be aware of.
- According to the policy Long Skirts & Shirts are actually appropriate but most employees think it is inappropriate so, this also has to be communicated properly.
- Most of the employees say that the main intention for granting leave is for the health problem and social obligation. But as per the policy even for providing rest is the main intention to grant leave. So these have to be convey to the employees so that they can take benefits of it when they genuinely need rest.
- As per the policy causal leave is applicable to all employees but EL and PL are not applicable to the employees who are on probation but as per the survey they have opposite conception so the employees should be made known exactly about leave policy regarding PL, EL and CL. compensatory off is also there in the organization who have worked on a declared holiday or weekly off but some employees do not know about it so they should also be clarify regarding it.
- Some employees say that prevention of sexual harassment policy is not fair. These all are because they are not aware of the policy so awareness about this policy should be mainly clarify to the HR.
- The member of the committee for sexual harassment is women, NGO (third party), members elected by management but many employees do not know that NGO is also involved. So the employees should make aware regarding who are the members of the committee.
- As per the referral scheme the people who are eligible for this scheme are the all the employees except divisional unit/departments heads and the recruitment team but the employees feel that even recruitment team is also applicable for this scheme so they should be properly made known that recruitment team is not part of the scheme.
- Some employees are aware that the Mobile phones, Laptops, Personal computer, Organization leased apartment, Organization leased car etc. are to be deposited back so such employees should be made aware.
- Most of the employees do not know that that travel expenses cover under the policy also includes Incidental/Laundry expenses so the same has to be made aware to the employees who frequently travel so that the benefits is taken.

• Some employees do not know that while getting reimbursement Taxi/Car rental receipts, Telephone call bills have to submitted avail the facilities if these employees are made aware then they will be able to take advantages of facility

#### Some new policies which organization can implement

Policy on Discrimination (Which occurs when individual suffers an adverse consequence such as failure to hire or promoted denial of admission for some training program on the basis of protected class).

#### **Confidentially Policy**

(The staff may expose to some confidential information they are expected to respect the confidentially at all time).

#### Vacation Policy

(This tensed to cover worker eligibility to vacation, length of vacation time of vacation, vacation pay etc.)

#### **Conflict Resolution Policy**

(To promote open communication and faster a safety environment for addressing differences opinion).

#### Conclusion

On the basis of the survey conducted. It can be concluded that majority of the employees are aware of the HR policy like policy on recruitment, Policy on compensation and benefit, Policy on dress code, Leave policy and some employees are not aware of Prevention of sexual harassment, Referral policy, Separation policy, Travel policy. The method used by the organization to inform the employees is mainly through induction program, employees are satisfied with different HR policy followed in the organization, so it can be concluded that the HR policy are satisfactory and effective at the NGOs.

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