

Management of Library and Information Centers

Title of the Paper: Management of Library and Information Centers

Unit 1: Management:

Concept, Definition and scope Schools of Management - Thought Systems Analysis and Design

Unit 2: Human Resource Management:

Organisation models job description and job analysis selection, recruitment training development
Leadership Team building Motivation.

Unit 3: Financial Management:

Planning and Control Resource generation- Budget and Budgeting Budgetary control techniques Cost
Benefit, Cost Effective analysis and accounting.

Unit 4: Materials Management:

Collection development and evaluation Policy, Issues relating to selection acquisition; Library routines,
Circulation, Preservation and conservation

Unit 5: Planning and planning strategies:

Concept definition need and steps in planning MBO Planning techniques Decision making.(10L)

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UNIT – 1

MANAGEMENT

Objectives:

- To explain the meaning and purpose of management;
- To elucidate scientific management, different levels of management and the managerial skills required;
- To describe managerial functions or elements of management and their importance and limitations;
- To explain general principles of management; and
- To understand modern management techniques and methods in managing a library.

Introduction:

Managing is one of the most important activities that all of us engage in. Ever since human life started to organize for food or shelter, management elements were subtly seen in all these activities. History also confirms the application of management techniques, which are visible today. The Egyptian pyramids, built centuries ago, are evidence of the excellent organizational skills of scores of workers in those times, thus making us believe that several management functions were in use long ago. Similarly, the Indus valley civilization also demonstrates the use of management techniques of a higher level of sophistication, considering the time it was built.

Further, these instances also show that management has been an inherent part of human survival and organized activity. As societies grew, individuals could not achieve their goals individually, so their efforts as a group had to be coordinated through the management function. The groups increased in number, thus making the role of the managers critical for success in the contemporary context. Competition is the key driver for individuals and organizations in the current context. Never before the individual had a plethora of opportunities on the one hand and a challenging work environment on the other. Thus, competition for individuals is for jobs, resources, and rewards, making it mandatory to learn management skills. Similarly, the business landscape has changed remarkably, forcing organizations to compete for contracts, clients and customers to effectively manage and deliver to retain the clients/customers to gain a competitive advantage. This situation kindles our interest in knowing the meaning and definition of management.

Management:

It isn't easy to define management accurately. There is no universally accepted definition of management. Management involves both acquisition and application of knowledge. It does not go by the rule of thumb or intuition alone, even though it is considered an extension of common sense. Hence, management is a combination of both an art and a science. The scientific approach lies in decision-making, planning, and in the appropriate use of technology. The artistic approach to management can be found in communicating, leadership and goal-setting tasks.

A few commonly used definitions of management are given below:

- Managing is an art or process of getting things done through other people's efforts.
- Managing is the art of creating and maintaining an internal environment in an enterprise where individuals, working together in groups, can perform efficiently and effectively towards attaining group goals.
- Management is the process of setting and achieving goals through the execution of five basic management functions (i.e. Planning, Organising, Staffing, Directing and Controlling) utilise human, financial and material resources.
- Management is a process or activity that combines several varied resources like persons, materials, techniques and technologies to accomplish a task or task.
- Management, as a distinct field of study, is also the body of organised knowledge which underlies the art of management.

The above definitions and a study of management literature would reveal the following characteristics of management:

- Managing is an activity or process (not a person or group of persons).
- Management refers to the discipline and the group that manages the organisation.
- It makes things happen (and does not let things happen).
- It is purposeful, i.e., achieving the organisation's goals and objectives is the supreme purpose.
- It uses available resources economically to maximise outputs.

- The organisation's objectives are accomplished by, with and through the efforts of others (group activity).
- Managing implies using certain skills, knowledge and practices to bring effectiveness.
- It is aided and not replaced by the computer.
- It is intangible.

Scientific management:

Scientific management is almost synonymous with the teachings and practices of Frederick W. Taylor (1850-1915). Throughout his life, Taylor struggled to increase production efficiency to lower costs, raise profits, and increase workers' pay through higher productivity. Scientific management is the name given to the principles and practices that grew out of the work of Taylor and his followers (Carl George Berth, Henry L Gantt, Frank and Lillian Gilbreth, etc.) and are characterised by concern for efficiency and systematisation in management. You may note that management science applies mathematical modelling in managerial decisionmaking and is quite different from scientific management.

The schools of management thought are broadly divided into three parts, they are:

- 1) Classical Management Theory (1880's-1920's) which is organisation-centred and has dealt with the economic "rational man" and includes scientific management, administrative management (Henry Fayol, C.I. Barnard, L Urwick), and bureaucratic organization (Max Weber).
- 2) Neoclassical Theory (1920's-1950's) which is person-cantered and human-oriented and emphasises the needs, behaviours, and attitudes of individuals (i.e., "social person" view) and included human relations schools (Elton Mayo, F.J. Roethlisberger, W.J Dickson) and behavioural schools (Maslow, McGregor, Argyris, Herzberg, Lickert, Lewin).
- 3) Modern Management Theory (1950's-) which emphasizes the complete employee view by a revisionist researcher (Litchfield), which includes systems theory, contingency theory, organizational humanism, and management science.

Modern management is characterized by a scientific approach, which involves: • the application of scientific methods and analysis to managerial functions and problems; • serious consideration of human elements in management based on psychological studies and behaviour analysis in different situations;

- Increasing emphasis on economic effectiveness in all management functions;
- A systems approach, focusing equal attention on all functions of management;
- Use of electronic computers for analysis and studies.

Beginning from the fifties of the 20th Century, contributions have been made to management through disciplines such as mathematics, statistics and economics. Mathematical models have been designed and constructed for planning, decision making and forecasting. Operations research studies for operational efficiency, and econometric analysis for cost benefits and effectiveness, are some of the other scientific methods applied to management functions. Computers and communications technologies have aided researchers in developing the management information system. These have become vital components in scientific management.

Theories of leadership and organization, including human motivation and behaviour, organisation relationships, and nature of the authority of the psychological and sociological methods applied to studying personnel management. The systems approach has enriched management operations by unifying to achieve a common goal. Thus we see that modern management has drawn from studies and experiences from other disciplines and has successfully applied them to enhance productivity.

Nature of management:

A debate continued for quite a long time on the nature of management. One school of thought argues that management is a science, while the other school disagrees and views it as an art. Science represents a systematic body of knowledge with principles that have universal applications. The scientific procedure depends on reliability and validity based on experimentation and generalization. One of science's principles is explaining the cause-and-effect phenomenon with a disciplined imagination. Applying these principles, management over the years has developed certain principles, laws, theories and generalizations which could be applied universally in a variety of organizations. Luther Gullick argues that management has a body of knowledge with underlying principles and is in the process of being called a science. He also contended that the interrelationship in the business scenario was scientifically and systematically explained with emerging theories tested and proven, and improved by logic and the facts on the ground. Scientific management proposed by F W Taylor was termed scientific management, which is proof enough for the status of science

based on several experiments on the beings on the shop floor using management techniques. As the field does not enjoy the status of exact science like pure sciences like physics and chemistry, some argue it is inexact. Management deals with human beings; hence, verifying and predicting complex human behaviour is difficult. The dynamic nature of management complicates it in terms of verifiability, reliability, predictability and generalization.

Further, management has to account for the contextual variation, making it difficult to prove the exactness of science. However, the scientific procedure, systematic analysis, and methodological rigour used in management research, along with advanced tools and techniques, provide the field with much-needed status. Research in allied areas like mathematics, statistics, and Psychology has added scientific fervour to the discipline.

In contrast, the other school of management argues that management cannot be equated with the logical, sequential and scientific methodology of basic sciences and hence, views management as an art. George Terry, a management thinker, states that “management is bringing about desired results through applying skills”. Art relates to the application of theories and principles in problem-solving activities. The manager applies his skills and competency built through his experience/exposure coupled with intuition and judgment while discharging the functions of managerial decision-making. Continuous effort and deliberate practice make managers successful managers, and they try to develop this art through skilful practice. The creativity and innovation seen in the managerial function could be attributed to the mastery of this art by the managers. While the debate of management as a science or an art continues, the third group of scholars contend that management could be a combination of art and science. They argue that managerial activity is a creative art, although it is becoming more scientific. In addition, the theories and practice acknowledge unique characteristics which make it a distinct field.

The nature of management could also be understood in terms of its status as a profession. A profession, by definition, is a certified vocation of individuals that enables applying the basic principles and practices under a certain given code of conduct. Given the above definition, an effort has been made to consider management a profession. The criteria for a profession, according to Edgar Shein, a psychologist, is

- A codified body of knowledge
- A long period of formal education and training

- Specified criteria for entry
- A code of conduct/code of ethics
- Professional tools/ techniques
- Specialized fields of study
- A professional body/association

These being the criteria to categorize as a profession, management, over its evolution, has created a body of knowledge with underlying principles that could be applied uniformly across various organizations. Most managers also go through a systematically prepared formal education in School/University and complete the prescribed training during the managerial functions. In addition, specialist accreditation agencies (like. NAAC and NBC in the Indian context) evaluated the progress of teaching/learning institutions across the educational institutions in a country. Moreover, companies insist on ethical behaviour demonstrated by a strict code of conduct. All these have instilled professionalism into the managerial function. The Association of Indian Management Schools (AIMS) examines and monitors the theory and practice of management by bringing together the academic institutions as members to deliberate on the status of imparting business education and training in India.

On the other hand, AIMA, the All India Management Association, brings together the practising managers to discuss and deliberate on the practical issues the managers face. The efforts of these agencies, along with the national and global policy, make management to be considered a profession, with managers as professionals offering professional service. Like any other profession - law, accounting etc. - the management field is slowly but surely attaining the status of a profession. In addition to the various perspectives put forward by different schools of thought, the nature of management could also be understood through various characteristics that the field demonstrates. The characteristics of management are discussed in the following section.

Characteristics of management:

A few elements characterize management. They are:

Management is a group activity:

Since the organization reflects the social dimension, where individuals interact with each other to get things done, individual efforts alone don't guarantee results. Moreover, management cannot be done in isolation and includes group activity. Management is thus seen as integrating individual efforts through organized group activity.

Management is Universal in its application:

In equal measure, management applies to government, business enterprises, education institutions, military, medical, and non-governmental organizations. The principles of management suggested by the German industrial Psychologist Henry Fayol are considered guiding principles that could be adapted to the specific organizational context.

Management is a continuous activity:

Management is dynamic and hence is continuous. The ever-changing organizational activity provides continuity to management functions.

Management as an Integrated Effort:

The process of management integrates human and other resources in the achievement of the objectives of the organization. In the process, the individual and organizational goals align for the organisation's effective functioning.

Management as a well-defined process:

Management is considered unique because of the well-defined and clear-cut process of getting things done through the various functions of management.

Management is objective-driven and result-oriented:

Organizations have marked objectives and goals, the accomplishment of which is systematically driven by the management function.

Management as a set of roles and skills:

It refers to an individual or group actively involved in managerial functions. The individuals are designated as managers, and the group as management. Managers are expected to learn managerial skills to perform their roles effectively.

Management as a function:

The management process is characterized by the functions that the manager performs. They are planning, organizing, staffing, directing, coordinating, controlling and budgeting.

Management as a discipline:

Management as a discipline refers to a body of knowledge with unique pedagogical tools taught in various educational institutions to impart management's basic concepts and principles. Its importance is demonstrated by the glut of B-School growth globally and in India and how it is prominent in popular perception.

Management and administration:

Most discourses use management and administration interchangeably, although they differ significantly in meaning and focus. Administration and management are represented by two groups- one led by the British School of thought and the other by American researchers. British scholars argue that management is much wider than administration and is usually related to top management. They contend that administration relates to carrying out the activities at the operational level. Scholars like OrwayTead, and William Sprigel, supporting the American School, advocate that administration is the thinking function and management is the implementing function. According to them, the administration's role is policy formulation while the managers implement the policy and get involved in the day- to- day operations.

The British School of thought argues that management is superior to administration. The administration focuses on the immediate problems, while the management focuses on the long-term objectives. They maintain that management involves rule making/ enforcing while administration engages with the situation. According to them, management is a comprehensive concept, and administration is a part of this. However, contemporary thinking equates to management and administration. Keith Davis is a supporter of this thinking. According to him, the management process is essentially the same in all organizations. Hence, the management and administration must go through the same process and remain the same. Herold Koontz maintained the same stand by observing that any distinction between the two would be misleading. These observations by modern thinkers have drawn a line between the two making them distinct and unique.

Importance of management:

Management plays an important role in an organization irrespective of the size, scale, scope and sector. It facilitates the growth of an organization and stimulates its activities so that the desired results can be achieved. It is important because of the following reasons:

- Effective management leads to optimum utilization of resources. Factors like men, materials, money and machines can be utilized only through management.
- Organizations function through teams and groups. Managers provide leadership and direct the members of the team towards the achievement of group and organizational goals. Thus, management facilitates achieving individual, team and organizational goals by leading them towards achieving the desired objectives.
- Management helps the organisation's smooth functioning by properly allocating tasks to the members and monitoring the implementation effectively. This helps the organization to have cordial inter-personal employee relations and good industrial relations in the organizations.
- Several internal and external challenges influence organizations in the organizational environment. The planned activities might get displaced in the event of uncertainty and suddenness of change. Management monitors such environmental changes and takes care of planned activity by helping employees adapt to the situation. The recent adaptation to the changes at the workplace due to the pandemic is an excellent example of such a situation.
- Management contributes significantly to an improvement in the standard of the organization. Successful managers innovate practices which lead to an improvement of individuals and organizational standards, thus facilitating the creation of best practices in the organization. For example, every year, the list of most admired companies globally and the most admired CEO serve as an example of the improvement in the standards of the industry leaders and organizations.

Functions of management:

All managers perform management functions irrespective of the top, middle and lower levels. However, the time the managers spend on these activities differs based on the level at which there are placed. For example, managers spend more time on planning and organizing, whereas middle-level managers spend more time on linking the group dir. Similarly, the lower level spends more time organizing themselves to execute the task. The primary functions of

management are generally grouped under five heads- Planning, organizing, staffing, directing and controlling.

Different thinkers explained the functions in different ways. Luther Gullick discussed the function of management through the acronym –POSDCoRB, which relates to

P- Planning

O-Organizing

S-Staffing

D-Directing

Co- Coordinating

R-Reporting

B-Budgeting

According to Gullick, managers generally perform these functions during their work. Henry Fayol has listed the acronym POCCC as the function of management. According to him, managers perform five functions. They are

P- Planning

O-Organizing

C- Coordinating

C-Controlling

C-Commanding

In general, the primary functions of management are categorized into five functions - Planning, Organizing, Staffing, Directing and Controlling. Management thinkers believe the controlling function includes coordinating, reporting and budgeting. The functions are discussed below.

Planning:

Planning is preparation for future action. It relates to an activity that bridges the present and future gap. The planning functions start after the broad organizational objectives are spelt out to decide the future course of action. This is an all-pervasive function and hence applies to all

levels of management. The functions include setting objectives, strategies, policy formulation and the consequent laying down of the procedures and programs for achieving objectives. It is future-oriented and determines the direction in which the organization moves. This function involves the ability to foresee the effects of current action in the long run. Planning incorporates both external and internal factors. Some external factors include- the organizational ability to borrow finances, raw materials, economic environment, advancement of technology, global and national policy etc. In contrast, the internal factors include organizational policy, intellectual capital, the organisation's financial stability, etc. Planning thus is a continuous activity and determines the future of the organization.

Organizing:

Organizing is related to the structure of an organization with clearly defined lines of authority and responsibility, through which the work is allotted, monitored and coordinated so that each division and department relate to each other to work together to achieve organizational objectives. It involves delegation, fixing authority and responsibility for smooth work conduct. Thus, it involves identifying tasks, assigning the tasks, defining and delegating authority and establishing clear lines of authority and responsibility. The functions also include blending the different factors and actors to ensure a smooth function in the organization.

Staffing:

Staffing relates to finding the right people for the right job in the given structure of the organization. It starts with the design of the job, identifying the job, and job analysis, thus, paving the way for recruiting, selecting, and placing the people initially and promoting them at a later stage. It also includes developing the people through training for efficient and effective functioning of their assigned work. Thus, it involves hiring and retaining people with skills, competencies, knowledge and the right attitude, which makes the functions very critical to organizational success.

Directing:

This function involves providing good leadership, communication channels, Motivation and supervision so that employees can function efficiently to attain the desired goals. It consists of the process and techniques which issue the required instruction and monitor the operation for smooth functioning. The managers communicate and transmit the message for a smooth

flow of work. The organizational experience has enough evidence of miscommunication or improper communication leading to organizational failure worldwide. It's, thus, a critical element in the function of direction.

Similarly, teams and groups of people require proper guidance from the leaders for effective functioning. Leadership relates to the process of influencing people's behaviour on the job. Leaders motivate and influence individuals towards achieving individual, group and organizational objectives. Monitoring and supervising the group's work ensures the goal of accomplishment aligns with the plan. This activity tracks the progress of the groups and provides confidence to the leader that the directions are being properly carried out.

Controlling:

The control function consists of activities undertaken to ensure no deviation in the plan. The control process includes setting standards, performance targets and measures, and corrective action. This function is always misunderstood and throws up a negative connotation of restricting people in their job. This function aims to check whether organizational objectives are met and action that could be taken in the future as the work is in progress. Normally, the budgets, the audit of records, pay roll of employees, the items of expenditure etc., are common examples of checking deviation. This function provides the leads to the planning function by monitoring and checking the deviations. An organization performs these five functions of management which are closely interrelated yet distinct from each other.

Challenges of management:

Organizations require effective management, but there are several challenges which management has to encounter for effectiveness. Some of the challenges are:

Globalization:

Several economies have embraced Liberalization, globalization, and privatization (LPG), which pre-supposes that the economies be a signatory and follow the guidelines in terms of trade laid down by global agencies like the World Trade Organization, International Labour Organization and also similar agencies that the economies form at the regional level like European Union, South Asian Association for Regional Cooperation etc. It describes the interdependence of economies, cultures and people because of the cross-border trade of goods and services, technology, flows of investment, information and communication. This interconnectedness across people and businesses leads to cultural, political and economic

integration across the world's economies. Since a business can be conducted internationally, management has to take care of communication, people, and business-related challenges.

In terms of communication, the role of the internet and ICT has transformed the world of work and the way businesses are carried out. For example, TCS, an IT company rooted in India, manages its businesses at several global locations using ICT. Millions of users have gone online, and global events like the COVID-19 situation have brought new users to the developing world like China, India, Brazil etc. As the number of new users is increasing, they are forced to develop content in their language and customize it to use on mobiles and laptops. Thus, the internet has become a force for connecting people regardless of time and location, making it easy for the manager to monitor and manage. Still, the challenges remain in terms of connectivity, security, speed and other factors. Further, in developing nations like India, the penetration of the internet, especially in rural areas, and hilly regions, in addition to these problems, throws up the challenge of computer illiteracy, as a good number of citizens have a low level of education/ literacy levels.

Regarding people-related issues, globalization facilitates the acquisition of talent worldwide. The companies benefit by having the required talent from worldwide and using people for backend support. Many MNCs, like GE, Microsoft, Accenture, IBM, Google, Apple, etc., have employees outside the United States. Similarly, car manufacturers like Renault, Hyundai, and Honda conduct their manufacturing operations in India to stay in the competition. Thus, globalization has enabled companies to stay competitive, provide services, and manufacture products competitively. The business-related challenges can be seen more in terms of a global market place for goods and services. Many companies not only export their products but also assemble their products in other countries. Businesses are thus forced to improve their standard, quality and features to attract the global customer because of a globalized world. For example, auto giants like Honda, Hyundai etc., are forced to compete with local Indian auto players like Tata Motors. The latter manufacture affordable, cost-effective passenger cars with unique features to suit Indian road and weather conditions. Thus, globalization has thrown up many opportunities and challenges as well.

Technology:

The impact of globalization has been quite significant on technology and technological changes. Technology has revolutionized every sector, complicating things and creating new opportunities. The speed with which technological changes take place affects the

communication patterns, information content and knowledge that gets generated, stored and can be retrieved for organizational use. The world is a witness to the significant changes that have taken place in the technology front, with the hardware and software concerning a computer or other consumables like keyboards, monitors, mice, the CPU and other parts. Even in terms of music, we have come a long way from a tape recorder to an audio cassette to a CD to a stage where currently music is embedded in the mobile phone itself. We also hear that Google searches can be done in over a hundred languages. Technology is important to business because it serves as a marketplace, a means for manufacturing goods and services, communication, a distribution channel, an information service, etc. Technology provides access to a wide range of information, thus making the decision-making function of the manager efficient and effective. In addition, we witness the design of new products in many sectors, including banking and financial services. Today, technology helps in banking from anywhere for any banking services and products, be it for account summary, investment summary, credit/ debit card services including ATM, housing loan information, vehicle and personal loan services. The list is endless, and today, citizens worldwide are accustomed to digital payments and digital banking, and all this is possible only through technological advancement. Thus if globalization has stretched the work days of some people, technological advancement has made it possible to connect people anytime, anywhere. Cell phones, handy tablets, and sleek laptops with wireless connections have connected people worldwide. In situations like the current pandemic, technology alone has come to the rescue of businesses and people to deliver services worldwide.

Workforce diversity:

“Diversity” in English means variety. Diversity exists in organizations when there are various demographic, cultural and personal differences among the people who work there. Diversity makes good business sense by helping companies attract and retain a talented workforce. Various friendly companies attract better and more diverse job applicants. In short, diversity is no longer about counting heads; it is about making heads count, said the Vice President of diversity and inclusion at PepsiCo. While there are advantages of diversity – experience, insight and creativity of a diverse workforce, managers also have challenges in dealing with a diverse workforce. In terms of demographics, companies hire young executives in good numbers, which makes it difficult for the manager to team them up with seniors and experienced people.

Similarly, companies also hire from different cultures, social and ethnic groups and backgrounds, making it difficult to manage in a multi-cultural environment. During the last decade, diversity and inclusion policies of the companies mandated hiring women from different classes/ regions of the nation/globe. The inherent characteristics, personalities, perceptions, and attitudes of diverse people differ, which is a management challenge. Currently, a good amount of awareness training, skill-based diversity training, diversity audits etc., are being followed by companies to manage diversity.

Innovation:

Innovation is the introduction of new goods and services. Companies are forced to innovate to bring changes in their goods and services and stay in the competition. Thus innovation becomes the key to selling the goods or satisfying the customer's preferences. Innovation is pervasive and has become an important ingredient in business success when Ecommerce has been introduced in a big way. Considering the pandemic, where all the traditional distribution channels have been transformed to attract buyers directly, marketing and sales had to be innovated to remain competitive. Globalization has been a critical driver for innovation. Businesses have to offer products or services to their clients using innovative techniques/ methods to deliver the same at a lower price to stay competitive. Organizational experience evidence innovative business models and practices to seize the opportunities in the business environment and achieve competitive advantage. For example, Reliance Industries in India started its operations in textiles and expanded it to every sector – retail, petro-chemical, digital, footwear, and communication, including JIO. Thus, companies are required to foster an innovative environment, and the managers have to strategically manage the skills and competencies of innovative people for organizational success.

Ethics and Governance:

Globalization has introduced the concept of businesses with no borders, thus allowing businesses to operate anywhere worldwide. Managing businesses requires strict adherence to business ethics on a professional level. Governance presupposes understanding the rules and regulations, policies and procedures in the different corners of the world, along with the cultural, societal and personal expectations of ethical actions. Thus compliance with the ethical code of conduct in business becomes a critical concern for all managers.

Quality:

Quality reflects the excellence of the product or service. The acceptable standards of quality have dramatically increased over the years. Providing world-class quality requires adherence to what quality entails. It can be measured in terms of product performance, reliability, customer service, durability, appearance, quality standards etc. It is a management challenge to ensure product or service quality. Companies continually innovate to add new features per customer preference and provide services per client satisfaction. For example, quality products like fruits and vegetables, which are organically grown, would be preferred by the customers to those grown with chemicals or frozen foods for health, wellness and well-being.

Cost:

Consumers compare costs before making a purchase decision. One reason why companies worry about cost is that cost leadership always ensures a company's competitiveness. Globalization has provided a wide choice in all product lines for consumers. Managing the cost requires efficiently managing available resources and minimizing waste, ensuring a quality product or service. For example, Reliance Jio, the internet service provider in India, which was launched recently, has challenged established players like Airtel, BSNL, and Vodafone in terms of providing internet connectivity with its popular low-cost packages.

Change Management:

Three facts about change- are that it is everywhere, constantly present, and everyone in the current context experiences the pace of the changed text. Consciously or unconsciously, people dislike change and resist change. In reality, however, change is inevitable, and the speed with which the pace of change is increasing daily. Contemporary organizations must welcome change and evolve strategies to survive competitively. Technology, cost, and competition have provoked changes in management in business. Managers have to don the role of a change agent to manage the resistance to change and make change more the nature of a habit in the change management process. For example, the changes in the Learning and development area are so fast that individuals have no choice but to learn them through the internet, e-learning and other online modes willingly in the organizational context.

General systems theory:

The area of systems analysis and design for information systems has its foundation in general systems theory. The General Systems Theory emphasises the need to examine all parts of a

system. Too often, the analyst focuses only on one system component and takes action, which may sometimes lead to ineffectiveness because some important components were ignored. In addition to focusing on all parts of a system, the General Systems Theory helps communications among specialists in different fields. One field of study closely associated with The General Systems Theory is cybernetics, communication and control in man-machine systems (including computer systems). Cybernetics represents a combination of physics, biology, electrical engineering, etc. In the analysis and design of information systems, we have to apply also our knowledge from diverse fields.

An information system involves people from different levels of an organization, computers, programs, procedures, also the personnel to operate the system. Fields like management, organizational behaviour, industrial engineering, computer science, communications, psychology and many others have important contributions to the study and design of information systems. Before preparing to study the analysis and design of information systems, let us briefly review the main elements of the general systems theory. A system is an organized, interacting, interdependent, and integrated set of components or variables. A system has objectives or goals, and many times these goals are difficult to observe. The environment plays a vital role in the design of a system. The environment is external to the system and encompasses everything outside the system's control. The environment also determines in some way the performance of the system. So the system and its environment are interrelated and interdependent. Resources are all the means available to the system to execute activities necessary for goal attainment. In contrast to the environment, resources are inside the system and are under its control.

A system comprises the jobs, activities, missions or parts required to realise the objectives. One should not necessarily look at the traditional components of a system, such as a department. One's focus should rather be on thinking of the entire system. A focus on missions or activities makes it easier to understand a system. A system may be a total system with different sub-systems as components. Individual sub-systems may also be a system which may have different sub-systems and so on. In the context of libraries, library automation may be a system where acquisition, cataloguing, circulation etc., may be sub system.

Similarly, in the case of acquisition ordering and receiving, financial transactions may be sub-systems. The management of the system consists of activities aimed at planning and

control. Planning encompasses setting goals, utilising resources, developing programming, undertaking different activities, and implementing a strategy for dealing with the environment. Control deals with the execution of the plan, and associated with control is the flow of information and feedback so that the system can evaluate its plans.

The basics of the General Systems Theory, as suggested by various theorists, are as follows:

- a) The components of a system are interrelated and interdependent; unrelated and independent components do not constitute a system. One of the important aspects of studying a system is determining the relationships among the components.
- b) A system needs to be viewed as a whole; it should not be usually broken down into constituent parts, as one might lose sight of the system in its entirety. However, the focus should be on subsystems that constitute a large system.
- c) Systems are goal-seeking in some way; the interacting components reach some final state or goal, an equilibrium position of goal attainment.
- d) Systems have inputs and outputs; they depend on some inputs to process to attain the system's goals. All systems produce some output needed by other systems.
- e) All systems transform inputs into outputs. Usually, the form of the output differs from that of the input.
- f) Systems exhibit entropy. Entropy describes the state of a closed system (no inputs from outside the system) where all elements move towards disorganization and the inability to obtain and process inputs, as a result of which the system cannot produce outputs. Information processing is critical to the survival of systems.
- g) The system must have a mechanism to regulate its interacting components so that its objectives will be realised. Planning, control and feedback are associated with this regulatory function.
- h) A system usually consists of smaller subsystems. The nesting of smaller systems within larger ones forms a hierarchy characteristic of the systems theory.
- i) We usually find differentiation in complex systems: specialised units perform specialised tasks.

j) Systems generally exhibit equi-finality, that is, some final state that can be reached from several different paths or starting points. In other words, there are multiple ways to achieve the system's goals.

Systems analysis: what and why:

System analysis and design provide a structured approach to Computer Based Information System (CBIS) design and development. A CBIS is a set of software packages that, when executed, provides information for decision-making, i.e., it is a help and a part of MIS. Designing and developing CBIS is one of the most important organisational activities involving people at different levels. Like any living organism, a CBIS also has a life cycle. Regardless of where the data or information processing system has been implemented, what functional area it addresses, what level of management it caters to and who has designed, developed and implemented it, the growth of an information system passes through various identifiable stages and all these stages put together are referred to as the System Development Life Cycle. The system size, complexity and coverage do not affect these stages; any system designed for processing information revolves around a life cycle that begins with the recognition of the problems and ends with the development and implementation of the system. To appreciate the stage involved in the design and development of an information system and the efforts required to build up these systems, it is a must that managers should be familiar with the distinct stages of this cycle.

Systems concept:

A couple of other definitions of systems are –

- Webster's unabridged dictionary describes a system as a set or arrangement of related or connected things to form a unity or organisation.
- A system is a set of elements forming an activity or a processing procedure/or a scheme, seeking a common goal or goals by operating on data/and energy and matter (inputs) in a time reference to yield information and energy and matter (output) (Murdic Ross and Claggett, 1990, p.15)

There are also several ways of classifying systems. Three such classifications are: (1) Natural or man-made, (2) Closed or open (3) Conceptual or physical.

Natural systems occur in nature, like the solar system. On the other hand, man-made systems are deliberately created for specific objectives. For example, Communication Systems, Transport Systems, Organisations, etc.

Closed systems, theoretically, are self-sufficient and have no interaction with their environment. In practice, those relatively cut off from the environment are termed closed. At the same time, open systems exchange information, energy, and material with their environments. As members (parts) of a system, they receive from the environment as inputs and give to the environment as output.

Conceptual systems are theoretical and deal with concepts which may or may not physically exist. Sometimes it may be possible to convert a conceptual system to a physical system, for example, Social System, Economic Theory, etc. In contrast, physical systems physically exist in the real world. They are generally man-made, e.g., Production Systems, Power Generating Systems, Fire Control Systems, etc. However, these classifications are not necessarily exclusive of each other. For example, there can be a man-made, open and physical system.

Information systems are considered to be evolved through three different levels of systems. These are:

a) Conceptual System: Every information processing system is evolved by way of a concept when somebody imagines that the organisation should have such and such a system to accomplish such and such an objective. A system so conceived may or may not be attained in reality. A conceptual model is no more than an idea.

b) Logical System: When the conceived system model is further worked out to design new ways to accomplish the objective set out in the conceptual system, it becomes the logical system design. A logical system design necessarily includes understanding the flow of information, logic of processing and input-output relationships. The Data Flow Diagrams, Flow Charts, etc., are the basic components of the logical models.

c) Physical System: When the logical models are developed to deliver the desired results, it is referred to as a physical system model. The physical system model can be tested and implemented. It consists of program data files and documentation. In subsequent sections, we will discuss the open, physical man-made systems used in MIS, such as Organisations and Computer Based Information Systems.

System analysis:

For more than a decade, engineers and administrators have witnessed the emergence of a broadening approach to the problem of designing equipment. This phenomenon has been poorly understood and loosely described. It has been called Systems design, Systems analysis and often the Systems approach. Rarely does the speaker use these terms to convey those concepts brought to the minds of their hearers, nor are any two hearers likely to agree.

Analysis of the system means identification, understanding and critically examining the system and its parts (sub-systems) to achieve the goals (objectives) set for the system through modifications, changed interrelationships of components, deleting or merging or separating, or breaking up of components. It may also involve upgrading the system as a whole. The methodology of systems analysis involves:

- 1) Identification of the system (setting system boundary), the system objectives, the system elements (components), and
- 2) Understanding the role and interrelationship of elements with other elements of the same system.

This identification and understanding process generates:

- 1) The capability (or background), the system objectives, and the system elements (components)
- 2) System functioning vis-à-vis the system objectives.

The outcome of the systems analysis job is a set of recommendations towards creating a system which best meets its objectives giving due regard to cost-effectiveness and risks. Systems analysis, thus, emerges as a means through which the total system is conceived, designed, implemented and made operational to achieve the desired objectives. The basic objective of systems analysis is to understand and modify the system in some way to improve its functioning. The modification may require one or more of the following: change the outputs, change the goals of the system, make it more efficient, have a different set of inputs or improve in some other way or even create a new system.

Understanding what systems analysis provides insight into its importance and why it is needed. Systems analysis is an approach towards viewing the processes, activities, and complex problems in their totality. Thus, specifically it:

- offers a means to a greater understanding of the complex structures,

- is a means to trade-off between the functional requirements of a subsystem (component) and its immediately related subsystems,
- helps in understanding and comparing functional impacts of subsystems to the total system,
- helps in achieving inter-compatibility and unity of the purpose of subsystems,
- helps in discovering means to design systems where subsystems may have conflicting objectives, and
- helps in placing each subsystem in its proper perspective and context so that the system as a whole may best achieve its objectives with minimum available resources. It thus creates synchronisation between systems and objectives.

Thus, systems analysis is one of the important techniques that provides a systematic and broader outlook to understanding, examining and creating or modifying systems to meet specific objectives. Systems analysis and design is an interactive and creative process.

System analysis methodologies:

Systems development generally has two major components – systems analysis and systems design. Systems design is planning new business systems or replacing or complementing an existing system. However, before the system design is carried out, planning is done. There should be a clear understanding of the old system, and how computers can be used to make the operations more effective should be determined. This is done by system analysis. Systems analysis is the process of gathering and interpreting facts, diagnosing problems and using the information to recommend improvements for the system. The person who does this job is called a system analyst. Analysis of the system means identification, understanding and critically examining the system and its parts (sub-systems) to achieve the goals (objectives) set for the system through modifications, changed interrelationships of components, deletions, mergers or separation, or break up of components. It may also involve upgrading the system as a whole.

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outputs, changing the system's goals, making it more efficient, having different sets of inputs or improving in some other way to create a new system.

Systems analysis used to be the task of computer professionals. However, with computers being widely used by non-computer professionals, systems development has acquired new dimensions. Sometimes, users are undertaking the development of some of the systems they use. This is especially true in libraries, where library professionals play an active role in system analysis and design to meet the library's automation and networking requirements.

There are three distinct systems analysis methods. These are:

- a) Systems Development Life Cycle Method
- b) Structured Analysis Development Method
- c) Systems Prototype Method

System life cycle:

The various stages in the life cycle of a CBIS are described in detail in the following Subsections.

Objectives and Feasibility:

The first and most important step is to provide a broad statement of organisational objectives for the proposed CBIS. This is primarily a responsibility of the top management since this Information System is expected to help the organisation and the management discharge their function. The Information Systems development effort begins by understanding the organisation's objectives, for these are required to be translated to constitute the objectives of the Information System. The next step is to examine the feasibility of the proposed system. This involves considering various broad alternatives, such as valuating the costs and benefits of the system. Initially, a rough cost-benefit analysis will be sufficient for the top management to decide either in favour of or against the proposed CBIS. Costs include costs of design, development, implementation and maintenance of the system. Benefits will be realised from the timely and accurate generation of the required information to meet the organisation's stated objectives. It is to be realised that a database created for a particular CBIS application usually serves other applications to a certain extent. For example, a payroll accounting database can be used for applications such as Provident Fund (PF) accounting,

Retirement Benefits Accounting, Personnel Information Systems, etc. Such indirect benefits also should be considered in the feasibility analysis.

Also, even though system objectives concerning management/ organisation objectives have already been discussed, they are again reviewed and made more specific concerning peak level processing loads, the complexity of processing, time frame for various types and categories of output, frequencies of occurrences, communication needs, etc. On the other side, an assessment is also made of the restrictions or constraints on the system. These restrictions may be external or internal concerning the content, processing requirements, procedures, input/output formats, data frequency, data accuracy, units of measurement, etc. External constraints may be due to government regulations, customers, suppliers, unions, social groups, etc. Internal constraints can be due to the areas of operations of the organisation, its policies, attitude and support of top management, the prevalent work culture within the organisation, cost and resources for the proposed system, willingness of the user employees, availability of required skilled manpower, internally and externally, etc.

Identification, recognition and understanding of internal and external constraints are crucial to designing a viable system. As part of the design effort, the designer provides for these restrictions and knows to some extent what they can do. Sometimes, one may have to review/or prune the system objectives or try to overcome some restrictions. This exercise is also a basic part of feasibility analysis at a general level. The system's objectives are transformed into specific information needs of the organisation or, for that matter, of the manager users. A clear understanding and aggregative view of management's information needs is the base on which the whole design is erected. Special efforts are needed for the assessment of the organisation as well as the user manager's information needs.

The key considerations involved in the feasibility analysis are:

- Economic,
- Technical, and
- Behavioural

As discussed earlier, the **economic feasibility** will only consider the cost/ benefit analysis of the proposed project. The benefits are always expected to be outweighing the costs.

Technical feasibility always focuses on the existing computer hardware and software. This also includes the need for more hardware or software and the possibility of procuring/installing/ maintaining such a facility.

The **behavioural feasibility** includes a study of organisational behaviour. At this stage, an estimate of how strong the user reaction will be to the new system will e.

The final output of this step is a Feasibility Report having discussions on the Financial Feasibility, Economic Viability, Technical Feasibility and Social Acceptability of the proposed system. The feasibility study is a part of the Systems Analysis. Experience has shown that delaying or neglecting feasibility studies is one of the major reasons for the failure of a CBIS.

System analysis:

Systems Analysis is the next stage in the life cycle of a CBIS. The system analysis includes a review of the existing procedures and information flow. Decision-making and individual information needs at various levels in different functional areas are also reviewed. The system analysis phase primarily focuses on isolating deficiencies from the existing system.

The fundamental activities involved in the system analysis are:

- Definition of the overall system,
- Separation of the system into smaller and manageable parts, and
- Understanding the nature, functions and interrelationships of various subsystems.

The analysis of the information systems could be done with the help of various system analysis tools. Some of the tools which are available with the system analysts are:

i) Review of Documentation: Documentation on the existing system could be reviewed and analysed to study the objectives, reports, procedures being followed, and equipment being used. The only limitation of this technique is that the documentation on any existing system is never complete and up-to-date.

ii) Observation of the Situation: The system under study can always be observed by getting involved. The system analyst can work in the system or be a mere observer. The exercise is time-consuming and costly. Also, it has an inherent limitation of the fact that the analyst may never be able to observe the system's intricacies.

iii) Conducting Interviews: The system analyst can interview the user managers and ask questions about their job responsibilities. The interviews could be formal or informal and may span over some time. The limitation of this tool is that the user manager may not be able to explain the problem in detail.

iv) Questionnaire Administration: A printed structured or unstructured questionnaire may be administered to determine individual managers' information needs. The questionnaire survey does help in saving time as compared to interviews, as well as getting more committed data. Still, it is impossible to design an exhaustive questionnaire to cover various aspects of the system under study.

The analysts use a combination of all these tools to analyse an existing system. The analysis phase is time-consuming and yet a very crucial phase. In brief, the steps involve the following:

- understanding the organisation to identify the flow of information between different levels in the organisation,
- a detailed examination of the proposed system (application area) for CBIS,
- identifying alternative approaches to meet the stated objectives of the system,
- evaluating the costs and benefits of each alternative in detail, and finally,
- choosing the 'most appropriate' alternative.

Systems Analysis involves teamwork and a considerable amount of time. A detailed study of the proposed system will give a clearer picture of the costs and benefits of alternative approaches. The involvement of the ultimate users of CBIS is crucial at this stage, so accepting CBIS upon implementation will be relatively easy.

System Design (Logical):

If the system analysis phase defines how things are, the Logical System Design phase defines how things should be for the same problem.

The system development phase includes mapping the business requirements of the managers on to the proposed system. The conceptual design for the model developed in the problem definition stage is enlarged to understand the actual flow of data, and the logical model is

developed. The logical model is worked out to finally develop and test the physical system in the system development phase.

Providing a Logical System Design for the chosen alternative involves:

- understand user requirements,
- identifying data requirements,
- suggesting a logical organisation of data, and
- suggesting a logical procedure to produce the desired outputs from available inputs.

We must understand the requirements of various users in the organisation.

Users at different levels in an organisation have different information requirements for decision-making. Information requirements can be broadly classified into three groups as follows:

- Monitoring and controlling decisions,
- Planning decisions, and
- Policy and strategy decisions.

Detailed discussion between designers and the ultimate user is essential to estimate users' requirements. This includes identifying report contents, frequency of reporting, formatting of reports and presentation of reports (tabular vs pictorial) for each user.

After estimating users' requirements, a system designer works backwards to identify data requirements. This includes identifying data sources, the nature and type of available data, and data gaps. The next step is establishing a processing logic to produce the desired outputs from the available inputs. This step involves a data flow analysis and a data processing analysis. Data flow analysis helps us to arrive at a logical organisation of data into computer files. A file is a collection of similar records; each has several data items (fields) of information about a particular entity.

For example, a payroll file will contain many payroll records, each carrying the necessary data items (fields) of information about an employee, like name, designation, basic salary, etc. A logical representation of data flow analysis and data processing analysis in a CBIS can be effectively provided through structured system design tools. These are:

System Design (Physical):

While a logical design estimates processing requirements, a physical design involves mapping the logical design onto the physical hardware of a computer system. Upgrading the existing hardware and acquiring a new computer system to meet the processing requirements is also undertaken at this stage. The system analysts assign specific responsibilities to the programmers who develop and test the programmes. The development and testing of the systems take place in a phased manner:

- Development and testing of the individual programmes,
- Development and testing of the individual programmes as a part of the system modules,
- Development and testing of the system modules as a part of the major subsystems, and
- Development and testing of the major subsystems as a part of the proposed system.

The development of the system includes writing the actual programmes to handle data.

Subsequently, file organisation details are worked out, and appropriate file organisation methods are established for processing and storing data. File organisation methods can be broadly classified into two types – serial access organisation and random access organisation. Excellent programming skills and experience are required for this phase of the system. The basic activities involved in this phase are:

- Checking the programme specifications received from the system development stage and expanding these specifications,
- Breaking the system modules into smaller programmes and allocating these programmes to the members of the system development team,
- Producing the programme code in the chosen computer programming language,
- Defining the interfaces between various programmes and designing tests for checking their interfaces,
- Ensuring the data availability for individual and integrated testing,
- Checking the quality of the code and its adherence to the established standards,
- Prepare the documentation for each one of the programmes,
- Receiving the user data for acceptance testing, and

- Getting the user sign-off after the acceptance testing

For the development of the proposed system, all possible support must be provided to the development team. This support includes the availability of the following:

- Office Space,
- Relevant Data,
- Secretarial Assistance, and
- Access to key functionaries throughout the system development effort.

The final output of this phase is a fully developed and tested software system, along with complete documentation and testing results.

Implementation:

Once the system has been declared fully developed and tested by the development team, it is ready for implementation. Actual programming is undertaken to implement the proposed CBIS in the available hardware. The user's involvement is necessary throughout the project duration, but user involvement is critical during this phase.

The implementation includes the following activities:

- Programme development and planning for implementation,
- Preparing the schedule for implementation,
- Procurement of hardware,
- Installation of software,
- Operation and testing of software on hardware,
- Getting acceptance of the CBIS from its users,
- Recruitment of operating personnel,
- Motivation and training of the selected personnel and users,
- Preparing user manual and documentation,
- Conversion of data files from the old system,
- Final changeover, and

- Operation and production.

Once the system has been implemented, the systems group provides outside support to the user group and trains the user group to handle the production and operations of the system. This is the most time-consuming activity in the life cycle of a CBIS and is also the costliest. Systems Analysts tend to lose interest once all the programmes are developed and tested to their satisfaction and not necessarily to the users' satisfaction. This tendency is dangerous and should be avoided at all costs. Systems analysts' responsibility is to properly document their programmes, prepare user manuals, provide user training and get acceptance for the CBIS from its users.

Maintenance:

Though the system is thoroughly tested before implementation, the system is never foolproof, and errors always exist. Therefore, there is a need to have a systems person to look after the system and maintain it even during operation and production. As users develop faith in a CBIS, their demands on the system will grow. The system design should be flexible enough to accommodate future requests, refinements, modifications, and changes to suit users' requirements. Well-documented logical and physical designs of a CBIS will facilitate its maintenance considerably.

The system maintenance could be because of any of the following reasons:

- Minor changes in the processing logic,
- Errors detected during the processing,
- Revision of the formats of the reports, and
- Revision of the formats for data inputs.

Also, the management is keen to know the quality of the system developed and the standards which have been followed. A review team usually evaluates the implemented systems and suggests changes if required. It also leads to integrated and standardised system development.

Review questions:

1. What is management?
2. Explain the concept of management.
3. Define the nature of management.

4. What is system analysis?

5. What is system design?

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UNIT – 2

Human Resource Management

Objectives:

- To learn about human resource management.
- To gain knowledge on job analysis.
- To get to know about recruitment and leadership.
- To further learn about team building, training and development.

Introduction:

Clear articulation of policy following wider philosophy is imminent for any organisation's success and the free market's success. Philosophy binds an organization internally, focuses on the collective effort and helps competitors anticipate the future moves of a company. According to theorists, two main concerns regarding competitive philosophy are (a) people-centred philosophy and (b) unity and focus.

Sound human resource management determines the level of innovation or creativity in organizational processes. Organizational capability is a dynamic concept. To what extent it is promoted depends on the premium attached to the HR function by the management. Bob Garratt (1990) proposes a theory of organizations as "learning systems" in which success depends on the ability of managers to become "direction-givers" and on the organization's capacity for learning continuously.

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depends on the ability of managers to become "direction-givers" and on the's capacity for learning continuously.

As organizations get larger and more sophisticated and processes become more complex, it gets increasingly difficult to coordinate specialisations at various policy and operating levels. The HR department performs the vital task of weaving sectional and individual interests and practices into the matrix of group functioning, the 'organization'. Organizations had hitherto looked at the "Personnel Department" to manage paperwork involving hiring and paying people. More recently, organizations consider the human resource department better suited for the task. HRM plays a significant part in both regulatory and policy planning functions.

Though in charge, theoretically, of the traditional POSDCORB functions, HRM today ventures beyond theoretical postulates. The coverage of HRM has expanded to more enveloping domains in the discipline and profession, throwing open possibilities in the art, science and craft of management theory and practice. Respective HRM covers diverse functions, such as the specific and defined areas of planning and control, resource allocation, conflict resolution and settlement of legal claims, to recount a few. HRM function has evolved so much that the HRM tag could be misleading (Mahoney, 1994), as HRM is no longer limited to securing 'person power'. Human resource management entails advising, implementing and organising change, the three important requisites of sound HRM practice.

HRM is at the forefront of management strategy in contemporary times. It is expected to be proactive rather than a reactive management function. It plays a vanguard role and imparts direction to an organization. The personnel department does not merely "hand out gift certificates for thanksgiving turkeys" (Mazarres, 1994). It's a pervasive management function actively involved in managing and administering organization-wide processes, initiating policy concerning HR specifically, and other sections collaterally involving the human resource management function. It is more than a cosmetic or a fringe activity or function.

HR management today involves more than just the management of the HR function. It extends into areas such as compensation benefits, staffing, HR forecasting, succession planning, management and executive development, performance management, employee relations, organization development, total quality management, needs analysis, instructional design and development training programme evaluation, returns on investment (ROI), impact studies to name a few"(Mazarrese, 1994). Human resource management is therefore understood as the influential art and science of managing people in an organization. Its

significance lies in that physical and monetary resources cannot and do not sustain increased rates of return on investments unless complemented and supplemented effectively by good human resource practices, which reflect in the best standards of productivity and service delivery. Increasing research output in behavioural sciences, new trends in managing 'knowledge workers' and advances in training methodology and practices have led to substantial expansion of the scope of human resource management function in recent years, besides adding to its understanding as a theoretical area of enquiry.

The use of the word 'management' is significant here. It is new public management informing management ethics today. Consequently, 'administration' denotes more routine coordination functions while 'management' is perceived as the active or the potent functional aspect of an enterprise; more pertinently, the art and science of "getting things done" (Simon, 1957). Significantly, public and private organisations' management function is universal (Fayol, 1959). HRM is not just an arena of personnel administration anymore but rather a central and pervasive general management function involving specialised staff as assistants to main line managers.

Evolution of HRM:

Historically, the beginning of HRM is traced to Robert Owen and his large spinning mills in Scotland. Charles Babbage and Henry Towde are the other two names associated with HRM's early beginnings. Its growth was particularly marked in the inter-war era, which was also the heyday of human relations and its subsequent branching into the diagnostic, behavioural movement. The latter being more applied and scientific, has since developed along highly specialized lines. It has branched out specifically along the domains of applied psychology and sociology. The latter, in turn, has evolved around the concept of the 'welfare state' while the former has proceeded as the behavioural science movement. The art and science of personnel management are inclusive and incorporate the two trends. The diagram below illustrates personnel management's development or evolution through recorded time (the figure is self-illustrative). Active human resource management is based primarily on sociology and economics. For Keeney (1990), human resource management is the conceptual euphemism to describe all the transformative changes in employee relations management in the 1980s. Blunt (1990) suggests that in the late 1970s and even into the early 1980s, the discipline concerned with the human side of the enterprise was largely regarded as covering moribund housekeeping operational activities. Consequently, there was no status and

influence of the discipline. Guest (1990) attributes the concern with status to the origins of personnel management “as an extension of scientific management or a form of welfare management. Hegg (1995) points out the contrast between the normative model's high aspirations and the failure to deliver as reflected in the behaviourist model.” It later developed in stages through consistent research in the area, so much so that, at present, it is a pioneering area in management. New dimensions continue to be added to it, lending it a unique

3dynamic character. It now covers diverse areas, such as mutual understanding at the work place between employers and employees and the socio-technical school of thought emphasizing restructuring of work to match social and technical systems (Schein 1988). Organization Development (OD), Human Resources Accounting (HRA) and Quality of work life (QWL) are the most recent precursors of HRM. HRA was popularized by Flamholtz (1985), which represented the ultimate quest for legitimacy through quantification. HRM's financial implications are studied under ‘organizational imperatives’ (Kamoche, 1994)

Understanding HRM:

We may now attempt to elucidate the subject under study. Before attempting the same, let us explain the essentials that require finding a place in any definition. The core issues are pointed out as follows:

- Human resource strategies are derived from the overall business strategy in the same way as investment or marketing strategies. Decisions relating to employees need to be integrated and consistent with other decisions.

Organizations are not mere structural entities but ‘social units’ comprising not just bricks, mortars, machinery or inventories but people. Scholars have observed that an organization is not a complex of matter but rather a complex of humanity. Personnel management deals with the effective control and use of manpower as distinguished from other power sources.

HRM differs from Personnel Management in treating people as ‘resources’. People are human capital and are treated as resources in that tangible and intangible benefits flow from their utilisation. Organizations have to harness this resource to be produced effectively.

An organization must use ‘human capital’ to achieve both collective and individual goals, mutually and in tandem. Coincidence and compatibility are especially stressed for the sake of ‘organizational equilibrium’ in that the individual and the organization represent two

‘opposing poles’ of organizational effort. Though their interests come across as competing forces, they are not always mutually contradictory and can be reconciled in the interest of ‘organizational purpose.’ Human resource management aims to balance the equation and bring about the required synergy to reinforce the mutuality of effort towards the ‘common purpose.’ Organizational Equilibrium is achieved by matching ‘inducements’ (positive balance) to ‘contributions’ (negative balance on the part of workers (Barnard, 1938). The final ‘value’ or ‘end’ in this case is ‘organizational effectiveness’ understood as increasing ‘organizational capacity’ in the face of environmental dynamics with attendant impacts on organizational and ‘structuring’ and ‘functioning’ (Simon, 1957). There is an unmistakable reference here to the ‘contingency paradigm’ of administrative theory. Specific environmental variables could be identified as technology, available knowledge, physical and material resource, government policy, etc. Maintaining ‘the relevance of organizational functioning in the context of shifting ecological variables is always a challenge. It has to be addressed for the sake of ‘efficiency,’ understood as a favourable cost-benefit ratio (Simon, 1957). Together the two make for the ‘effectiveness’ of the organization.).

Defining HRM:

The following four definitions encompass the core issues in human resource management. HRM could thus be referred to as;

1. A series of integrated decisions that govern employer-employee relations. Their quality contributes to the ability of organizations and employees to achieve their objectives (Milkovich & Boudreau, 1997).
2. Concerned with the people dimension of management. Since every organization comprises people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue at the same level of commitment to the organization are essential to achieving organizational goals. This is true regardless of the type of organization: government, business, education, health, recreation, or social action. (Decenzo & Robbins, 1984)
3. The planning, organising, directing and controlling the procurement, development, compensation, integration, and maintenance of human resources to accomplish those individuals, organizational, and social objectives. (Flippo, 1984).

4. “ The organization function that focuses on the effective management, direction, and utilisation of people; both the people who manage, produce and market and sell the products and services of an organization and those who support organizational activities. It deals with the human element in the organization, people as individuals and groups, their recruitment, selection, assignment, motivation, empowerment, compensation, utilisation, services, training, development, promotion, termination and retirement.”(Tracey,1994

From the above definitions, certain new and some of the most important ones HRM aspects emerge could be stated as:

1. There is an explicit link between managing human resources and the success of administrative or management strategy. Competition forces management to alter the latter with implications for the former.

2. Sector strategies cannot be appreciated in isolation (mean in Simon’s terms) but only as parts of the integral whole

3. Senior line managers must assume more responsibility for managing human resources. There is a stress on inter-personal relations as a determinant of performance.

Job description:

Human resources managers serve as a link between employees and employers. They touch every aspect of an organization since it would be impossible for an organization to exist without the people who work within it. HR roles include a broad range of specialist and generalist positions. Responsibilities vary significantly across industries and employers, but three common HR manager titles are:

- **Recruitment manager:** Oversees an organization's staffing needs by managing the work of a staff of recruiters
- **Training and development manager:** Creates and implements training and development programs for new and current employees
- **Human resources manager:** Directs an HR department or a specialized area of HR management

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Jobs and responsibilities:

Human resources managers typically work as generalists overseeing multiple areas, although, in large organizations, they may be specialists overseeing a team of other HR specialists. No matter how a business is organized, common responsibilities of HR managers include:

- **Job analysis:** Defining the nature and responsibilities of positions and the skills and knowledge necessary for them
- **Recruitment and staffing:** Attracting, interviewing, and selecting the right candidates to meet an organization's needs
- **Organization and utilization of the workforce:** Designing an organizational framework that maximizes human resources and establishes systems of communication
- **Maintenance of the workforce:** Addressing health, safety, and worker-management issues, including compliance with federal workplace laws
- **Training and development:** Evaluating workers' educational needs and designing programs to meet them
- **Performance appraisal:** Assessing employee job performance to provide feedback and use in determining promotions, salary increases, and termination of employment
- **Employee rewards:** Designing programs to reward employees for accomplishments and motivate them to continue performing at a high level
- **Diversity, equity, and inclusion:** Designing programs and procedures to ensure that all candidates, employees, and customers are treated fairly and without discrimination

Job analysis:

Job analysis is gathering and analyzing information about job content and human requirements, and the context in which jobs are performed. This process is used to determine the placement of jobs. Under NU Values, units and Human Resources share decision-making in this area. The unit's organizational leadership will determine specific internal approval processes. Job analysis defines the organization of jobs within a job family. It allows units to identify paths of job progression for employees interested in improving their opportunities for career advancement and increasing compensation.

A relative value is placed on the differing factors described in the Zone Placement Matrix. All new and existing positions will be assigned to a job family and zone using the job analysis process. This process is designed to place positions into families and zones based on assigned duties, qualifications and competencies as measured by the five criteria in the Zone Placement Matrix. Organizational unit leaders are encouraged to consult with Human Resources for guidance at any step in the job analysis process.

Versions of HRM:

Hard Version:

“Human resource management reflects a long-standing capitalist tradition in which workers are regarded as commodities.” (Guest: 1999). The hard approach to human resource management is a pragmatic perspective of human resource management, which looks upon people as ‘resources’ and measures the tangible benefits of their deployment. Human resources must be acquired, developed and deployed to maximise their utility. The focus is on calculative and strategic aspects of managing human resources, and the approach is “rational” (fact-based) concerning factors of production. The objective is ‘efficiency’ (maximising benefit and minimising cost), and the philosophy is business-orientation (specifically human resource accounting), emphasising tangible and quantifiable value addition to the organization. It has been stated that the drive to adopt human resource management is based on the business's need to respond to the external threat arising from increasing competition. It is a philosophy that appeals to management’s striving hard to achieve and sustain a competitive edge and appreciates doing it. They must invest in human resources and other practices or in other areas (for example, procuring technology).

The emphasis is on the following:

- Drive for economy and efficiency;
- Interest of management as opposed to workers;
- Adoption of a strategic approach that is in line with business strategy;
 - obtaining value-adding services from people through targeted human resource development practices;

- Emphasis on strong people-centric organizational culture expressed or articulated in the mission or value statement and reinforced by communications, training and performance management processes;

- The need to obtain the agreed commitment of employees towards organisation's the goals and proposition.

Soft Version:

The 'soft' model of human resource management traces its origin to the human relations school of administrative thought and emphasizes the development of healthy organizational culture by use of effective communication, motivation and leadership as primary sources of maximizing performance. It considers employees as 'co-contributors' rather than adjuncts in organizational culture, 'objects' or pieces of automation. It stresses the need to gain sustained commitment from employees through democratic means such as participative management, meaningful involvement in policy formulation and other methods of developing a 'high-commitment-high-trust' culture in the organization. Attention is therefore drawn to the key role of organizational behaviour.

Employees are treated as valued assets and a source of competitive advantage. This needs to be optimized by evincing ethical virtues such as commitment, adaptability and high-quality performance following the 'collective will' of the organization articulated as organizational purpose. Ethics lies in reciprocity between individual members and management.

The emphasis is on the belief that the interests of management and employees are congruent. This is called the 'unitary' approach' to human resource management.

Reconciling the Two:

It has been observed that even if the rhetoric of human resource management is soft, the reality is often harsh, with the organisation's interests prevailing over that of the individuals. Practically, we find a mix of hard and soft versions informing organizational practice. This implies that the distinction between hard and soft HRM is not as specific or obvious as it is tacit and implied.

Features of HRM:

By now, we have been able to understand the meaning of HRM. Some of the main features of HRM include (Keith sis son):

1. There is stress on the integration of HR policies with overall planning and underpinning the latter with the former;
2. Responsibility for personnel management no longer resides with specialist managers but is increasingly assumed by the senior line management;
3. The focus consequently shifts from management-trade union relations to management-employee relations; from collectivizing to individuation; macro to micro; and;
4. To reiterate, with the manager donning the role of “enabler” or ‘facilitator’, there is stress on commitment and initiative on the part of the employees.

HRM is based on four fundamental principles (Armstrong, 1988:90).

- a. Human Resource is the organization’s most important asset;
- b. Personnel policies should be directed towards the achievement of corporate goals and strategic plans;
- c. Corporate culture exerts a major influence on the achievement of excellence and must therefore be tempered with consideration of employee welfare.
- d. Whilst integration of corporate resources is an important aim of HRM, it must also be recognised that all organizations are ‘pluralist societies’ in which people have differing interests and concerns, which they defend and at the same time function collectively as a cohesive group.

Besides the features mentioned earlier, certain characteristics of HRM could be summarised as follows:

1. HRM is a pervasive function. It permeates all levels of decision-making in an organization. All sections perform human resource management in some way. Academically, the nature of the subject is inter-disciplinary. It draws inputs from other social sciences, particularly sociology, psychology, political science, anthropology, economics, etc. HRM has a suggestion for the contingency paradigm here. Chief among contingent variables is pressure from the government articulated through policy interventions through directives or orders. The three main areas of potential pressure are identified as affirmative action in pursuance of social justice objectives; concern for occupational safety and health in a welfare state; and pension regulation for well being of workers

2. HRM is also a comprehensive function in that it is concerned directly or indirectly with every decision that in any way relates, even collaterally, to human resource management, irrespective of the section it emanates from or the level at which it is made
3. Cost-effectiveness is a must to attract, induce and mobilise resources for its policies, and draw the attention of central line management to its policies and proposals.
4. There is a need to spot trends and tailor personnel requirements accordingly towards the perceived direction or end to optimum utilisation of available human capital.
5. Human resource management department provides an integrating mechanism. It attempts to build and maintain coordination between all operative organisational levels. It is indispensable as a clearing house. Its added significance is due to its being an auxiliary service which is an indispensable maintenance activity. HR department aids 'line' officials perform their respective allotted tasks, with direct or incidental bearing on human resources. Policy-making does not proceed piecemeal and organizational functioning imparted a coherence that might otherwise be hard to achieve. A human resource manager is a specialist advisor who performs vital staff functions.
6. HRM is crucial. It is action-oriented, focusing on action rather than record keeping, written procedures or rules. The problems of employees at work are solved through rational, standard policies.
7. HRM seeks to maximize employee motivation to make them contribute to their maximum potential. The same is done through a systematic process of recruitment, selection, training and development, together with worker-friendly policies like fair wages, bonus and reward systems, effective grievance redressal, etc.
8. HRM is people-oriented. People's existence is defined or perceived in two ways: as individuals working for personal satisfaction and members of a group or collectivity contributing towards a common objective. Together they constitute the pillars of an organization or organization-wide effort. 'Organizational equilibrium' is contingent on matching or balancing personal need satisfaction (inducements offered) with organizational goal fulfilment (contributions elicited/negative balance). The right man in the right place at the right time maximizes the benefit of collective endeavour both in the interest of the organization and the individual employee. HRM is development-oriented; it aids institutions with employee-friendly activities like career planning and development, which help develop

their full potential. Job enlargement and job rotation practices are facilitated; employees are assigned various tasks, which helps them gain maturity, experience and exposure.

9. Tangible, quantifiable benefits result in the organization as externalities, intangibles or unquantifiable gains (improved organizational culture, management-worker relations, etc.), which optimize organizational performance. Enhanced productivity is then used to reward employees monetarily and motivate them further towards better performance.

10. HRM is a continuous activity, consistent function and not a short-term measure. It requires constant alertness and awareness of human relations on the part of managers to maintain a healthy organizational climate. Sustenance of 'organizational 'rationality' (concerning decision-making) and securing 'organizational effectiveness' are other pressing concerns. Organizational survival is the prime concern. Concerns about efficiency arise only later. Organizations face the challenge or imperative of arriving at an L.C.M. (least common denominator) of opposing pulls or conflicting interests within as well as outside to ensure and secure compliance with exogenous directives and compatibility between internal (in-house) and external (laws, guidelines, implementation regulations) policies. External pressures must be adapted to or co-opted for 'relevance' and 'efficiency' (Simon, 1957) of organizational functioning.

11. Human resource management function is important to public and private organizations. Fayol's advocacy of management as a universal science endorses this idea.

Objectives of HRM:

The primary objective of human resource management is to ensure a continuous flow of competent workforce to an organization. But this is only a broad view. Exploring further, we can categorise objectives into four, which are analysed as follows for a better understanding:

Societal Objectives:

Society may constrain rationality regarding human resource decisions through laws such as reservation and other laws that address social discrimination, health and safety of workers, morale, ideological bias and other issues of societal concern.

Organizational Objectives:

The organizational objective is at the forefront of organizational strategy, coordinating and harmonizing organization-wide efforts and stressing the role of human resource management in contributing towards organizational effectiveness.

Human resource management is not an end in itself. It is a means to the end of increasing organizational capability. It assists the organization in attaining its primary objectives. Stated the department serves the rest of the organization.

Functional Objectives

On the practical side, it sets the department's contribution at the level most suited to the organizational setting.

Resources are wasted when the human resource is either in excess or too scarce. The department's function is to gain 'organizational fit' concerning human resource requirements.

Empowerment is a core concept of the new management model. In an adaptive organization, empowerment is preferred to delegation and ownership to responsibility. It is contended that authority and responsibility are formal aspects of organising. They are based on organizational properties and not individual capabilities. Empowerment and ownership are social aspects of organising. They are based on efficacy and initiative, not just on roles and requirements. (Business E. Coach, 2005)

Clear articulation of policy following wider philosophy is imminent for any organisation's success and the free market's success. Philosophy binds an organization internally, focuses on the collective effort and helps competitors anticipate the future moves of a company. According to theorists, two main concerns regarding competitive philosophy are (a) people-centred philosophy and (b) unity and focus.

Sound human resource management determines the level of innovation or creativity in organizational processes. Organizational capability is a dynamic concept. To what extent it is promoted depends on the premium attached to the HR function by the management. Bob Garratt (1990) proposes a theory of organizations as "learning systems" in which success depends on the ability of managers to become "direction-givers" and on the organization's capacity for learning continuously.

Personal Objectives

It implies assistance to employees in achieving their personal goals as these goals enhance individuals' contribution to the organization.

Employees' objectives must be met if workers are to be retained and motivated towards better performance. If otherwise, employee performance and satisfaction will likely decline, and employees could even contemplate leaving the organization. Managing the approach to employee benefits and compensation, employee records, and personnel policies is an important aspect of human resource management (McNamara, 2005)

There has to be a correlation between objectives and functions. William Werther Jr. and Keith Davis (1972) have attempted to link the two. This is summarised in the following tab

Like other issues in public administration, the objectives of human resource management attract divergent views. In fact, due to changing environment and dynamics of relationships among management, employees and trade unions, human resource management objectives have had new vistas added to their defining purpose. V.S.P. Rao (2000) recognises some of these changes and places forth a set of emerging objectives:

1. Research and development is a new facet of human resource management. HR practices need constant updating because of changing legal, political, and social environment. Forethought and fore planning is vital to keeping strategy targeted;
2. The primary purpose of HRM is to realize people's strengths, turn them into productive assets and benefits customers, stockholders and employees at the same time in an equally effectively manner;
3. HRM requires that employees be motivated to make them exert their maximum efforts, that their performance be evaluated/ preferably measured properly and that they are reimbursed based on their contributions to the organization;
4. HRM helps employees grow to their fullest potential concerning job satisfaction and self-actualization. To this end, suitable programs have to be designed aiming at improving the quality of work life (QWL);
5. To develop and maintain quality of work life, good working conditions, and a good standard of life for the worker makes employment in the organization a desirable personal and social condition. Without improvement in the quality of work life, it might be difficult to elicit the desired level of motivation;

6. It is the responsibility of HRM to establish and maintain communication well, to tap ideas, opinions and feelings of customers, non-customers, regulators and other external public, as well as to understand the views of internal human resources; and

7. HR function helps maintain ethical policies and behaviour in the organization. The chief personnel officer of a large American corporation puts it thus: “personnel’s purpose is to practice morality in management by preparing people for change, dealing with dissent and conflict, holding high standards of productivity, building acceptance of standards that determine progression and adhering to the spirit and letter of high professional conduct”.

Scope of HRM:

The Indian Institute of Personnel Management encapsulates the scope of HRM in the following three aspects: -

1. Personnel aspect: concerned with manpower planning, recruitment, selection, placement, transfer, promotion, training and development, lay off and retrenchment, remuneration, incentives, productivity, etc.;
2. Welfare aspect; dealing with working conditions and provision of amenities such as canteens, crèches, rest and lunch rooms, housing, transport, medical assistance, education, health, safety, recreation facilities, etc.; and
3. Industrial Relations aspect: the legal part, which covers union-management relations, joint consultation, collective bargaining, grievance redress and disciplinary procedures, settlement of disputes, etc.

HR function may be categorized into the following sub-sections:

HR function may be categorised into the following sub-sections:

- Employee Hiring
- Employee and Executive Remuneration
- Employee Motivation
- Employee Maintenance
- Industrial Relations
- Prospects of Human Resource Management

Carter McNamara (2005) has outlined the following activities of the HR section:

-deciding what staffing needs an organization has and whether it should use independent contractors or hire its employees. Cost considerations matter in these decisions. Also, in-house promotions and placements are encouraged as part of organizational policy. The current environment demands more flexibility in policy formulation and implementation processes for which the HR department is most suited; and recruiting and training the best employees, ensuring they are high performers through apprenticeship and training programmes dealing with performance issues and ensuring personnel and management practices conform to all formal regulations, managing approach to employee benefit and motivation and group morale.

Functions of the personnel section encompass the following activity areas:

Total quality management (TQM) applies the system's model or perspective to organization theory. For enhancing overall productivity, output levels and standards. Investing more time in value-adding activities as opposed to non-value adding is emphasized;

- Organizational structuring and design; suggesting mergers, overseeing diversification/expansion schemes, managing implications of globalization, cost-cutting measures such as downsizing, contract employment, restructuring, controlling implications thereof, etc.;

- Productivity control, R&D, improved service delivery, customer focus, quality control, organizational effectiveness;

- Financial control and budgeting;

-Human Resource Planning and specifics thereof HR; department plays a vital role in integrating the strategic plan or business plan and also takes the lead in devising and implementing it Personnel processes, viz. recruitment, selection, training, management development;

- Strategizing or planning for overall organizational growth;

- Managing informal work groups;

- Organizational culture ramifications of managing knowledge workers; articulation of culture in terms of objectified, practicable targets; ensuring meeting of specific targets and objectives; imparting direction to organizational functioning;

- Managing Diversity; (organizational culture reference and internal sociology implication);
- Dissemination/internalization of organizational philosophy among inmates, controlling culture thereby. The phenomenon of 'organizational identification'... (Simon, 1957 People management' refers to policy initiatives regarding employee benefit and welfare schemes, retrenchment policy, executive succession, etc.
- Spreading awareness and mobilizing support to ensure minimum resistance to change processes and policies; marketing to recover or amortize the costs of producing products, programs and services.

Functional obligations of the personnel department outlined above could be catalogued under the following general headings: (Tracey, 1994)

- Managing housekeeping on its own section-performing all customary management functions (POSDCoRB) about internal administration;
- Organizational Development is understood as a planned, educative effort towards organization-wide change reflecting the concept of organizations as constantly evolving and developing entities (Keith Davis, 1992) and
- Performance Development, problem sensing, solving, and trouble- shooting as and when the need arises.).

Specific functional activities and responsibilities of the HR department, as outlined by Tracey, include:

- Recruitment, selection, and task assignment;
- Orientation and induction programs imparting relevant information;
- Compensation; including all compensable factors;
- Employee benefits; monetary and non- monetary; and
- Succession planning (upward mobility of personnel via promotions);

Selection Process:

It comprises different stages of a candidate's interviews before being selected or hired by the company. The stages of the selection process vary from company to company and depend on the nature of the job. The basic stages involved in a standard selection process are:

1) Preliminary Interview

It is a short-duration interaction with the candidate. This stage aims to get basic information about the candidate and to check whether he possesses the required skills and aptitude for the job. Accordingly, he is rejected or promoted to the next phase of the selection process.

2) Written or Online Test

In this stage, tests are conducted to evaluate the candidates. The types of tests depend on the job's nature and the company's selected format. The most common tests at this stage are aptitude, personality, and technical tests. The score of the tests helps the company know how well the candidate can perform job-related tasks.

3) Final Interview

The interview at this stage can be a one-to-one or a panel interview. Also, depending on the job, it can be a behavioural or stress interview. The skills and capacity of the candidate are measured against specific job requirements. It remains a two-way communication, allowing the candidate to ask questions about the job and company. The rejection or selection of a candidate largely depends on the outcome of this interview.

4) Reference Check

The company asks the candidate to provide references that may include the contact details of a former employer or two persons that are not in relation. Afterwards, references are contacted through formal letters or telephonic conversations to verify the information provided by the candidate.

5) Selection

In this stage, the selection decision is made based on the candidate's performance in the previous stages. If the candidate has performed well, he will be selected and issued an offer letter with all relevant details like his designation, salary structure and term of employment

Leadership:

So, what are some of the most important skills you'll need as a human resources leader? According to the Bureau of Labor Statistics Occupational Outlook Handbook, human resources skills include these five effective leadership skills that contribute to success:

- **Decision-making skills.** Because a human resources manager's decisions significantly affect many people, balancing the strengths and weaknesses of different options is a key skill in a human resources career. For example, hiring and firing decisions can impact many people in an organization.
- **Interpersonal skills.** Top-notch interpersonal skills are an important asset in a human resources career. Working as a part of a management team is most effective when a human resources manager has positive working relationships with colleagues.
- **Leadership skills.** Leaders in human resources careers oversee the operations of their department and often coordinate with others in management positions.
- **Organizational skills.** Leaders in human resources careers must be able to manage many projects at once and prioritize tasks.
- **Speaking skills.** Human resources managers must communicate with their staff and other employees. They need strong speaking skills to give presentations, communicate with leadership at all levels, and direct their staff

Team building:

Team building is done depending on the goals, resources available, time at disposal, budget, etc. It is similar in principle but varies from company to situation to other requirements. The important steps and strategies in the team-building process are as follows:

1. **Define Objectives:** The first step in the team-building process is to identify the final objective or goal which needs to be achieved. Based on this, other criteria like team members, tasks, budget etc., are decided.
2. **Evaluate Current Output:** The second step in the team building process is to understand the current output and the gap in meeting the final objectives. This shows the extra effort needed to achieve the final goal.
3. **Design Activities & Tasks:** The next step involves designing tasks and activities to help reach the final goals.

4. Identify Individuals: The fourth step in the team-building process is to identify individuals or employees, based on their skills, experience, education etc., who can execute these tasks.
5. Training of Members: Once the individuals are identified, training and development of these people are done with a clear understanding of each one's roles and responsibilities.
6. Monitor Team Effort: The next step in the team building process is closely monitoring the team effort, their behaviour, etc.
7. Evaluate Team Output: The final step in the team building process is to evaluate and see the team's overall output and compare it with the original objective set.

Team building is a reiterative and continuous process which requires time, patience, resources, efforts etc. until an effective team is created or built.

Addressing Semantics: Related Concepts

Since 1980 the term personnel management has been gradually replaced by a more suitable term, human resource management, to delineate the whole gamut of activities undertaken towards or to maximize human capital utilization in an enterprise. The problem of semantics is apparent. It would serve our purpose to clarify the two related concepts.

Similarities between Personnel Management (PM) & HRM

Similarities between personnel management and human resource management are recounted as follows:

- Personnel management strategies, like HRM, evolve from business strategies.
- Personnel management, like HRM, recognises that line managers are primarily or in the first measure, responsible for managing people. The personnel section provides necessary advice/ support service to line managers, aiding them to carry out their responsibilities in a better/ more effective manner;
- Values of personnel management and the 'soft' version of HRM are identical. Both stress on self-development of workers, helping them achieve the maximum level of competence both for the realization of individual and collective will and, thereby, achievement of individual and organizational aspirations and objectives;
- Both personnel management and HRM recognize the need for placing and developing the right people for the right jobs;

- The same range of selection, competence analysis, performance management, training management development and reward management techniques are applied in both human resource and personnel management; and
- The 'soft' version of HRM, like personnel management, attaches importance to communication and participative spirit informing employer-employee or management-worker relations.

Differences between PM and HRM

Differences could be articulated and recounted as follows:

- i) Personnel management is more bureaucratic and directive than participative and team. Managers administer it rather than 'developed' by management and workers or 'co-contributors' in joint organizational endeavours. It may be a set of rules and procedures that might even constrain senior echelons in managing their subordinates as they deem fit per the situation's requirements. On the other hand, HRM pays attention to employee development and focuses on the dynamism of the entire management function. This shift of emphasis appears related to three specific differences;
 - a) While both personnel management and human resource management highlight the role of line management, the focus in each case is different. In human resource management, the HR function is vested in line management and business managers are considered responsible for coordinating and directing all resources towards the achievement of organizational objectives;
 - b) Objectives are specified more precisely, and co-relation was drawn more clearly and objectively between results and strategy for proactive use of human resources for their furtherance and achievement. Personnel policies are not passively integrated with business strategy but perceived as integral to and active components thereof in the pursuit of the desired value or end; and
 - c) Most human resource management models emphasize organizational culture as an important variable. Although 'organization development' models of the 1970s proclaimed a similar aim, they were not fully integrated with normative personnel management models. 'Organization development' was always seen as a distinct and separate activity from mainstream personnel management. Internal structuring also exhibited this separateness in that it was generally assigned a separate role in a formal institutional sense in that separate

OD consultants were located within the personnel department, not always with a back ground in the subject. It was considered/ treated as only a fringe activity, an initiative that was nice to have but could be dispensed with at the first indication of financial stringency. Aswathappa (2002) draws a table and recounts personnel and human resource management differences along twenty-three dimensions. The same are outlined below:

Differences between PM and HRM:

For a better understanding of HRM, it shall be worthwhile to know two more related terms: Human Resource Development and Industrial Relations.

Industrial Relations (IR) & HRM:

Industrial Relations (IR) is a term adding to the problem of semantics. "Industrial Relations", as the term implies, deals with sociological and legal issues concerning organizational climate, interpersonal relations, physical and social working conditions, settlement of disputes, unionization and other issues dealing with grievances and their resolution. Industrial relations or human resource management has more to do with the historical context within which they arose than with the scope of the two. Human resource management is used more in the modern context of globalization and multiculturalism, where HR is at the forefront of management strategy. IR rose in the specific context of the industrial revolution and the socialist ideology, where just and humane work conditions were emphasized. Hence, Industrial relations is not different from human relations or another major school of administrative theory. With many different labels, industrial relations is now used to refer to the legal aspect of organizations governing employee-employer relationships, viz., trade unions, collective bargaining, etc.

The legal aspect has now emerged as a significant facet of HRM, which organizations neglect only to their peril. Organizations get sued for alleged discrimination in their recruitment, selection, hiring, training and development, promotion, and compensation procedures by outside players and their employees, present and prospective. Posers about administrative procedures have to be addressed unequivocally to prevent conflicts or possible impediments in organizational functioning. Technically, it falls within the domain of Industrial Relations. However, responsibility for the function is aggregated under the HR label, which today is an enveloping and architectonic field or area of enquiry, practice and specialization. Small businesses (for-profit or nonprofit) usually have to carry out these activities themselves as they can't afford part- or full-time assistance. They must even ensure that employees know

personnel policies conforming to current regulations. These policies are often in the form of employee manuals, which all employees possess. Procedural simplicity is an important requirement. Non-compliance can generate unnecessary confusions, which could easily be dispensed with

Industrial Relations' implications for the organizational structure would differ. While some structure it as a specialization, others prefer merging or grouping more practicable. (Collective bargaining involves the administration of formal contracts governing union-management relations, laying down grievance procedures, third-party arbitration, labour unions, etc.) Some companies have separate industrial relations departments responsible for negotiating and administering collective bargaining agreements with unions. Most often size and complexity of an organization are the deciding factors. What is important, however, is that the legal aspect of human resource management is a specific and distinct function, structural differentiation or specification notwithstanding.

HRM and HRD:

Some people distinguish between HRM (a major management activity) and HRD (Human Resource Development, a profession). However, it should not lead to any confusion.

The distinction between HRD and other human resource practices is necessary to avoid undervaluing the concept theoretically and in the workplace. HRD has come to be used in many different contexts. Hence, it is important to clear the maze and highlight the unique contribution it makes to organizations

About HRD:

HRD is:

-A profession; a specialized activity. Organizations employ HRD vendors to plan and administer training programs. However, now HRD has ventured into other broader, more significant areas of organizational practice, viz. organizational design, change, planning and development. The latter function has gained increasing prominence of late,

HRD vendors are external consultants, though the HRD manager is preferably an insider; and

- Its scope has progressed and moved from micro to macro concerns. In the present times, it is an important field within the area of human relations or organizational behaviour.

HRD has now been developed in universities as a postgraduate discipline. Washington University took the lead in this regard in 1965. However, some universities have introduced courses in specific HRD methodologies, such as communications or human services and labelled them human resource development. Confusion can be cleared by looking at the form rather than the label.

HRD incorporates applied behavioural science. Works of Gordon Lippitt, Warren Schmidt and Robert Blake are noted particularly in the development of the paradigm. There is increased emphasis on a systems approach to HRD, notably through the work of Leonard Silven and Hughes and the contribution of Robert Mager, particularly in pushing for the adoption of specific behavioural objectives in framing objective HRD modules.

It is a specialized and technical field with increasing use of modern technology. Inventory control is an important feature as there is a need for recording and safely maintaining data. Its working is essentially centralized. There is stress on individualized instruction. The learning specialist guides the trainees like a coach or a resource person. The definitions and understanding of selection, training and performance evaluation will likely be revised. They are being seen as continuously evolving and developing processes that aid individuals and organizations reach the summit of their potential. In HRD, there is shared

responsibility between management and individual employees for organizational effectiveness-diffused rather than focused permeates through the organization and is not restricted to the individual manager or specific levels.

Characteristics of HRD could be recounted as follows. It is:

- Idealistic;
- Utilitarian in purpose;
- Evolutionary;

The wider objective is integration with the school system through educational administration and training institutes. HRD cannot make up for the lack of basic skills. It would be highly impractical if it were suggested so.

Gerratt defines learning organizations as “a group of people continually enhancing their capacity to create what they want to create”. The idea sums up the essence of human resource development.

Recruitment:

Recruitment in human resource management is a systematic process of finding, identifying, short-listing, interviewing and selecting qualified candidates for specific job positions in an organisation. Building human capital to meet the organisation's overall goals is important. The hiring process follows a set deadline and budget, from sourcing candidates to onboarding them. Many recruiters use recruiting software to streamline the process.

Depending on its size, the organisation may leave the responsibility of recruiting different professionals. A large organisation may have a separate HR department and HR teams to handle its hiring requirements. Smaller organisations may only have a single hiring manager. Some organisations may find it more economical to outsource the hiring work to professional recruiting firms. The recruiters may find candidates by posting job advertisements at various places, such as company websites, job sites, professional networking sites and social media.

Implications of HRM:

a. Concerning Organization Design

There is a long-standing argument on whether HR-related functions should be organized in the Organization Development department, elsewhere, or independently.

‘Value’ is the chain of causation of “purposive behaviour”. Decisions at all organisational levels are ‘mean’ to the extent that they comprise ‘fact’ more than the value component and end conversely. Each decision is both mean (more fact) and end (more value) in that every ‘means’ is an intermediate ‘end’ which is ‘mean’ to a different end. The chain culminates in pure ‘end’ or final ‘value’ (hypothetical idea since ‘pure value’ does not exist in practice), which is often the ‘organizational goal’ (could be social or national goal depending on the level of integration)

The ‘mean’- ‘end’ chain or formulation has implications for organizational structure. If human resource management is ‘the means’ to the ‘end’ of ‘organizational development’, it functions as a section under organization development. The question of location is pertinent in the interest of coherence of organizational functioning.

b. Concerning Personnel Administration

The HR section articulates organizational philosophy and underpins it with practical strategy. Organizational culture is both a dependent and an independent variable. It both impacted

upon and impacted organizational functioning and practices best people in the organization. Planning alerts management to human resources needs in the short run ahead.

At the enterprise level, good human resource practices help attract and retain the best people in the organization. Planning alerts management to human resources needs in the short run ahead.

At the level of the individual, effective management of human resources helps employees work with 'esprit-de corps' and experience personal growth.

Society, as a whole, is the beneficiary of good human resource policy. Employment opportunities multiply, and scarce talents are employed to the best use/uses.

Extending the same argument, sound HRM is imperative for nation-building. Human resource planning is integral to the socio-economic planning of the State. It is a vital and imperative component, especially for developing countries where human capital waste accrues due to underutilization of capacity and other wasteful HR practices.

c. Concerning Policy

The HR section or department is actively involved in business strategy and wider policy formation, so much so that there is no question of whether it should or should not anymore. Its involvement is accepted as a fact or a 'given' of organizational life. The focus is directed instead to utilizing it to the maximum. The objective of HR thought and practice is geared to this end. This is expected to be more so as the office evolves towards a more dynamic future role, expanding and diversifying business and increasing knowledge resources.

Role of the HR manager:

Designations of HR Managers are found differently in different organizations. To quote Frank Lloyd Wright, "form follows function". HR function, therefore, draws content from and follows the strategic plan. The HR manager functions as a catalyst and a change agent to the extent that he helps the line achieve its objectives. The job description of the office differs from organization to organization. The form or content of human resource functions is determined by the organization's history, work culture, and the level of differentiation attained in processes and products. (Tracey, 1994)

The HR manager has to be both a process and a policy specialist. The job descriptions and specifications entail and demand both policy advice and implementation specialities.

They hyphenate the relationship between the organization, on the one hand, and external players and stimulators of policy (primarily government and strategic partners). They have to ensure compliance of internal policy and practice with external regulations via legislation (for example, government directives) and attempt to preempt the field in the organization's favour by minimizing instances of unnecessary interface.

Academically, the HR person needs to be proficient in related specialities or disciplines in that HR is a growing interdisciplinary academic field and a vocation with cross-currents from management science, humanities and even physical sciences. HR manager is a consultant to all sections and a prime mover or initiator of policy inputs and recommendations.

HR officers can be both generalists (with wide experience in personnel matters to recommend them) and specialists with technical training or educational background, either from inside/outside the organization. Actual practice in this regard differs from organization to organization

The question of how HRM would change in the post- modern globalized world needs to be understood in light of challenges to HRM.

Emphasis on human resource management will still be greater in the coming years. Companies/organizations are expected to invest more in the health/welfare of workers.

The emergence of transnational/multinational corporations is bringing a cross-cultural workforce and the consequent need to manage diversity properly (cultural, ethnic, linguistic, religious, etc.).

Cost constraint and the resultant emphasis on the necessity of output maximizing strategies, viz. total quality management, flexible management systems, etc.

Participative management for 'knowledge workers'; the need for an active policy to retain good workers is expected to be increasingly felt in the coming years.

Flexible structuring in organizational design in response to changing requirements would be needed. Warren Bennis's futuristic observation (prediction) about linear organizations giving way to diverse and unconventional matrices is almost a truism today. Organizations are now less linear and more complex. The environment is more uncertain than predictable; the traditional Weberian construct is more of a utopia than reality, more cross-functional/networked than vertical/linear; providing more scope for freewheeling for its knowledge

workers rather than insisting and stressing on a commanding or directive work pattern and culture. Its participative management, innovation and self-managed work teams are desired for total quality management, emphasising productive processes, particularly technology. Organizational fluidity and dynamism may no longer be an exception or feature to be chafed at and resisted but an enduring quality to be desired which is almost a necessity for organizations ' survival in this environment of constant change. Organizations are constantly perceived as organic entities and continuously vitalized and growing, meeting new/emerging challenges and answering critics to avoid being moribund/ redundant in their operations.

Tackling demographic changes in the workforce will be challenging as more old/young/women/backward castes are expected to force changes in HR policies.

Vigorous interest articulation will be suggested for business at the policy stage to minimize incident and unsavoury pressures during implementation.

With increasing cost constraints, training is expected to get more targeted than generalized. It would need to be tailored according to changing requirements, viz., customer preferences, the specific need of a strategic plan in a given time frame, etc. Training is only one of the options for learning and development.

Review questions:

1. Explain the duties and responsibilities of HR.
2. Define job analysis.
3. What do you know about leadership?
4. What is the role of HRM in team building?

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UNIT – 3

FINANCIAL MANAGEMENT

Objectives:

- To learn about the finances and their management in libraries.
- To get to know about planning and control resources.
- To gain knowledge on budget.
- To further know about budget techniques.

Introduction:

Libraries are not revenue-earning institutions. Most of them are service components of academic and other institutional bodies. Hence they have a special obligation to manage their finances with great care and judiciousness. The public library service is generally free because it is supported by public funds,, through special government grants or a library cess. The importance of providing a continuous flow of adequate finance to libraries cannot be exaggerated. However, a few principles must be kept in view, as finance is also an instrument of control and evaluation. No study of an important public activity like library services can be complete and fruitful unless it also covers financial aspects. Basic knowledge of library finance, expenditure, budgeting and accounting is, therefore, very important for any librarian or student of library science.

Financial management:

Financial management is not just managing cash or providing funds. It studies the principles and practices involved in the financial operations of institutions, industries or states. The finance function provides funds needed for the enterprise, i.e., the provision of funds and their effective utilization. It deals with the problems and procedures of acquiring, distributing and effectively utilizing funds, balancing revenue and expenditure and accounting for the entire transactions for better control and evaluation. In other words, important phases or components of financial management are:

- financial planning
- forecasting of receipts and disbursements
- realization of funds and revenues

- allocation of funds
- utilization of funds
- financial accounting
- financial control
- financial auditing

The task of finding money, investing funds, managing property and getting the sanction for the budget and all other related matters of finance are the responsibility of the central executive authority of the parent organization to which the library belongs. However, the library has a major share of responsibility in estimating its financial requirements, preparing a budget for its functions, activities and programs, managing the funds appropriated and spending within the specified period, maintaining accounts, and preparing a report.

Principles of Financial Management:

For effective financial management, some guiding principles are necessary. An understanding of these principles is useful. These are:

Effective Control

Simplicity

Regularity and Farsightedness

Economy

Flexibility

i) **Effective Control:** Financial management can only work efficiently when controlled properly. The method of financial control should be simple and easy. Control is also necessary for the economical use and channelling resources so that there is little wastage and limited financial resources can be put to maximum use.

ii) **Simplicity:** Procedures for financial management should be simple and easy to operate. Simplicity results' in efficiency and economy.

iii) **Regularity and Farsightedness:** Financial management programs should have a typical timetable quaint everybody with what they are expected to do at a particular point. For example, in the preparation of the budget for a library, inputs should come from the heads of

sections, who would, in turn, expect cooperation from their staff. The budget preparation would be time-bound, and the budget should be submitted to the authorities on time so that the budgetary sanctions can be obtained in time to operate it. Similarly, subscriptions to current journals should be sent to the publishers at a particular time of the year. Sticking to a timetable facilitates advance thinking and preparation. Not only present needs but future requirements should be considered when making finance provisions.

iv) **Economy:** The economy should be effected in any activity and every activity, more so in financial matters. All precautions should be taken to avoid unnecessary expenditure and wasteful use of scarce finances.

v) **Flexibility:** Financial management should keep the virtues of elasticity in mind to learn the scope for adjustment according to circumstances. Only then can it be successful in times of emergency and crisis. But this does not mean that one should take undue advantage of its flexible nature. There are provisions and practices in utilizing or diverting funds appropriated for a certain item of expenditure to purchase books or equipment. But this flexibility should be within the framework of financial rules and procedures. This type of adjustment usually is done at the far end of the financial year when unutilized funds are available for other items

While these principles are useful in operating and managing finances in libraries, there are statutory financial rules and procedures laid down by the executive authorities. Libraries have no option but to follow financial rules. The other related fields which need to be kept in mind by library and information professionals include cost accounting and economics (particularly welfare economics and theory of production), various tools and techniques of financial management, economics and cost accounting like funds flow analysis, ratio analysis, break-even analysis, operating and financial averages. Financial forecasting, capital budgeting, economic theory, theory of production, costing, etc., have adequate scope for library and information centre management applications.

Financial Management in Service-Oriented and Not-for-Profit Organizations:

Information centres are paternalistic, service-oriented and not-for-profit organizations. Financial management in such organizations is more complex and important than in profit-oriented organizations. Money management in service-oriented and not-for-profit organizations (NFP) involves systematic planning, getting funds, prudent spending and meticulous accounting of funds. There are certain difficulties in the financial management of service-oriented and not-for-profit organizations. Some important characteristics of such

institutions and the difficulties in financial management are discussed below. The problem becomes acute if the budgets of such institutions are not planned as part of the planning of the parent body and if they worry more about accounting than planning.

Among the important characteristics of service-oriented and not-for-profit organizations are they are normally labour-intensive compared to profit-oriented organizations, will not have any inventory of services, will have dominance of professionals, and the quality of service cannot be inspected and measured in advance, i.e., before rendering the service.

Further, there appears to be a lack of a profit measure in such institutions. The absence of a profit motive measure is typical to service-oriented and not-for-profit organizations. Profit-oriented organizations measure their output by the revenue earned based on prices charged for goods and services sold. For individual profit centres, revenue is measured by transfer prices. Service-oriented and not-for-profit organizations should devise similar economic output measures or rely on nonmonetary measures. By and large, output measurement is a problem in service and NFP institutions.

Generally, there is no single criterion to measure the success of such organizations. Multiple objectives, lack of a relationship between costs and benefits and difficulties in measuring performance and comparing the performance of different units of the same organization are some peculiarities of such organizations.

There appears to be no direct relationship between the costs and benefits in service organizations. There is a clear difficulty in measuring the performance of service-oriented and not-for-profit organizations. Further, the organizational units cannot be compared to service-oriented and not-for-profit organizations. due to dissimilar functions

Market forces play a less significant role in service-oriented and not-for-profit organizations. Due to the lack of shareholders, ownership and power appear to differ. Consequently, there is a tendency for service-oriented and not-for-profit organizations to be political organizations.

Historically, cost accounting and other control techniques were developed for manufacturing (i.e., profit-oriented) companies; hence, they have less applicability to service-oriented and not-for-profit organizations. Further, inadequate management controls have become a tradition in such institutions. Lastly, most service organizations are relatively small and operate at a single location.

Information centres have not given adequate attention to output measurement. In the absence of a monetary output measure, certain non-monetary measures could be employed by service and NFP organizations. The non-monetary output measures could be classified in many ways. They can be subjective or objective, discrete or scalar, quantitative or qualitative. Important non-monetary output measures are:

Results measures

Process measures

Social indicators

Inputs as proxy output measures

Sources of funds:

Library finance includes both the funds appropriated to a library and its expenditure. Libraries depend heavily on a continuous supply of funds for organizing their activities, programs and services; in dealing with this, ensure a continuous supply of funds not merely every year but over some time, i.e., a dime or five years. Finance plays a very significant role in the organization and management of any institution, especially in the case of libraries which have to acquire and build up a collection continuously throughout the year and even longer. With the increasing costs of books and journal subscriptions, it would be impossible to plan a collection development program consistent with users' needs without an ensured supply of funds. While appropriations are made for acquiring books and journals, funding bodies often overlook or underestimate the necessity of funds for processing the acquired materials and making them available. So competent persons should invariably process the expenditure on books.

Further, a regular flow of funds ensures the rhythm and tempo of the user services. These services have to run continuingly. Libraries will remain ineffective unless adequate funds are provided for all these activities.

Different libraries receive funds from different sources, though some are common, such as government grants. The greatest operating funds increasingly come from public funds raised through taxes. Funds are required continuously (the paternalistic nature of the library), and a judicial estimation of the funds required has to be done well in advance. The sources of funds for libraries can be broadly grouped as follows:

- i) Regular grants from parent body (public fund raised through taxes)
- ii) Adhoc grants from other departments/institutions (public fund)
- iii) Grants from endowments and charitable institutions
- iv) Fees, subscriptions, sale of service and miscellaneous revenues earned by the library (ad hoc, non-recurring and meant for specific purposes with restrictions on allocation and use)
- v) Fines and various sources: Some libraries impose fines on the late return of books and for the loss or misuse of books. Income from this source is very meagre. It cannot be considered a source of income because the good aims not to raise revenue but to compel the user to return the borrowed book in time and not to damage or lose it during their possession. Moreover, libraries may not have the authority to reappropriate the amount collected as fines or overdue charges for any purpose
- vi) Miscellaneous sources may consist of money from the sale of library publications and waste paper, reprographic services, translation and other documentation services rendered, etc. These services are rendered by libraries, usually on a non-profit basis. Normally, such (limited) funds are added to the general fund of the parent organization for allocation through normal budgeting.

The financial support given to libraries is of two types: i) recurring and ii) non-recurring. The recurring grants are generally given for the purchase of books and periodicals, maintenance of regular services, and for anticipated contingent expenditure. The non-recurring grants are given for specific purposes, such as building library buildings, purchasing furniture and equipment and sometimes for special collections. The third type of grant, an Adhoc grant, is given special recommendations for special purchases.

Academic Libraries:

a) **University libraries:** University libraries receive their funds, in varying degrees, from two sources. They get financial support from the universities out of their End and as special grants from the University Grants Commission and the state governments.

The UGC grants are mainly planned grants, whereas the state government grants are mainly non-plan grants. However, government grants are not given to libraries directly. Usually, the government grants the university, and then the university allots the library the necessary share

out of being the same. Grants from the University Grants Commission are of three types - recurring, non-recurring, and ad hoc.

Few university libraries charge a fee from their student members for using the library. A charge or fee for library use is not made without protest from users. These days there is a growing feeling that the university should provide library services free of charge, just as it provides lecture rooms, laboratories, and other facilities free.

b) **College libraries:** A question often asked is, "How much does it cost each year to run a good library?" The amount will vary from college to college, depending on the nature of the curriculum, the quantity and quality of service expected, and the quality of the present collection. The total student strength in a college is another criterion to consider while allotting funds for the library. The problems of financing the library of an established institution are very different from those of a new college. The needs of the former are confined to acquiring materials to remedy weaknesses and to keep the collection up-to-date; the latter must provide for a complete basic collection

There are three main sources of funds for college libraries. The principal source is the allocation of the current operating funds of the college. Whether the college is public (government) or privately controlled matters less in this connection than the amount of additional money the library may need during any one budgetary year. Sometimes a part of the Amalgamated Fund Collection is given to the college library to purchase reading materials. Occasionally some portion of the contingency grant of the college is made available to the library by the principal. The second source of income for college libraries is grants, individual gifts, and endowments. But this is not very popular in India. Many college libraries throughout our country receive grants from the University Grants Commission. Other sources of income for college libraries are subscription/membership fees charged by the students and annual recurring and non-recurring grants from the state government concerned or the institution's governing body.

c) **School libraries:** Promoting a good library service in schools depends very much on finance. In the case of middle schools, lower fee rates for library services can be fixed as there will be fewer expensive books needed for students of lower classes. Currently, there are no fixed norms for the provision of finances to school libraries in India.

The library fund of a school should preferably comprise a fee collected from pupils, an equal contribution from the management, a matching contribution from the government or local

body, other gifts or special grants that may be received specifically for the library at any time and donations from the public. The library fee collected from students should be spent exclusively on books and equipment. The state government or any education authority administering the school should meet the initial expenditure on setting up the school library, including the cost of new library buildings and the initial expenditure on fittings and books covering the basic stock needed as a nucleus for library activities.

Public Libraries:

The main sources of public library revenues are subscriptions, a library cess, grants from the government and endowments. Considering the library subscription as a source of funds is widely disputed. An equally forceful opposite view is that subscription defeats the whole concept of a free public library service advocated by Ranganathan. The Advisory Committee for Libraries, Government of India (1957) report The Advisory Committee describes such subscription libraries as "stagnating pools."

Of the five States of the Indian Union which have library legislation, some, viz., Tamil Nadu, Andhra Pradesh and Karnataka, have provision for a library cess. Tamil Nadu and Andhra Pradesh Library Acts have provided for a cess in the form of a surcharge on land and property tax at the rate of six per cent. The Karnataka Act has provided for a library cess in the form of a surcharge at the rate of three per cent not only on land and house tax but also on octroi duty, vehicle tax and professional tax. In addition to the library cess, Karnataka public libraries receive a grant from the government equivalent to three per cent of the total land revenue collection. The other states, i.e., Maharashtra and West Bengal, have not proposed any library cess. In these states, the respective governments have made provisions for grants for public libraries. Experience shows that library cess/rate alone cannot meet the continuously growing needs of public libraries. Besides, the taxable capacities of various local areas differ, making standard and uniform public library service throughout the country difficult.

A public library service should be supported by the government's regular budget grants, like education, public health, etc. Unfortunately, this is not the position in many countries, including India. As a result, finances for public libraries have become inadequate. Only library legislation at the national level can change things for the better. It would be proper for the government to provide for the initial expenditure, while recurring demands of the libraries

should be met from the proceeds of library cess, etc. Moreover, the local authorities should be encouraged to collect more funds by giving them matching government grants.

Endowments, charitable trusts and private benefactions could be another source of public library revenue. This is a common feature in countries like the USA, whereas, in India, it is not. The financial demands of the libraries are recurring in nature. At the same time, endowments may not be so. Hence endowments and benefactions, though welcome, should not be taken as a permanent or continuing and adequate source of income. Endowments can best be used for constructing library buildings, acquiring furniture and fittings and so on.

Other sources of public library revenue are fees, fines, and gifts in cash or kind. The income from these sources is generally very meagre and cannot be considered a significant source of revenue.

Special Libraries:

Special libraries get their funds from appropriations made by their respective parent organizations. Whenever the parent body takes up a new project or program, which needs library and information support, adequate finances may be provided to the library to meet the special support facilities. The library is expected to ask for additional or special services, usually examined before funds are provided for such services. In addition, ad hoc grants from governmental agencies are obtained for specific purposes. Of late, special libraries have been seriously considering the ways and means of generating part of their resources.

Line Item or Incremental or Historical or Object-of Expenditure Type Budgeting:

The most common type of budget is the one that divides items of expenditure, line-by-line, into broad categories such as books and journals, salaries and allowances, equipment, supplies, capital expenditure, contingencies, etc., with further sub-divisions for each of these broad categories. This is the traditional method, which prepares the current budget by considering past expenditures on each item. Hence it is also called historical budgeting. The budget is prepared with a small increase of 5 or 10 per cent for each major item of expenditure of the previous year's allocation, assuming that all current programmes are as good and necessary and hence termed incremental budgeting. The other name for line-item budgeting is Object-of-Expenditure Type Budgeting. The advantage of this budgeting method is that it is relatively easy to prepare, present and understand. To some extent, it ensures that

the funds provided are spent for the purpose stated. This extensively practised method has certain weaknesses.

This method does not go into the performance evaluation of activities and services and does not suggest any future projections. That is, it does not necessarily involve reviewing what amount should be spent on activities and services. Secondly, it moves in the same manner as the past year, without any forward push. Thirdly this tends to ossify and rigidify budget. In other words, budget funds earmarked for a particular item cannot be spent for any other purpose, i.e., the financial rule would not permit shifting expenditure from one head to another. For instance, funds allotted to equipment, if unspent, cannot be shifted to acquiring a few important titles of current journals, even if it is fully justified. It emphasises tools rather than what these tools have to achieve. It also tends to tempt to disguise needs and ask for more money than needed. Above all, it lacks a bold look and does not provide accountability for performance.

Formula Budgeting:

Based on financial norms and standards (to be discussed in the next section), this method tries to relate some inputs as users served, academic programmes supported, and the ratio of book stock to total funds of the parent body. The formulae are used for financial estimation as well as budget justification. This appears to be a broad and quick method, saving time. But it does not account for finer variations in respect of each library and its customers and services.

Programme Budgeting:

This method, propounded originally in Hoover Commission Report (1949), has three steps. They are (i) a statement of agency (i.e., library) objectives, (ii) full consideration of alternative ways and (iii) logical selection of the best based on effectiveness and efficiency. Extended from the line-item method, this method tries to answer the questions ‘what purpose is the money being spent?’ and ‘how resources have to be deployed for each programme?’ and is more suitable for a contracting economy. Accordingly, a financial plan is presented as programmes and sub-programmes built upon work units or workloads. Work units are assumed to be measurable, and the work unit costs are the building blocks of the programme budget.

The focus of this budgeting method is on the library’s activities, and the funds are to be earmarked for programmes or services that the library plans to provide.

For instance, if a library decides to provide a Current Awareness Service, the cost (like staffing, materials, publication, overheads, etc.) is calculated and the expenditure is estimated. The budget is thus prepared based on the cost of programmes and whether a programme has to continue, get modified or be deleted. A library may also group its major programmes or functions, which may correspond to its organisational structure, like administrative services, technical services, reader services, etc. These services may be organised through departments such as acquisition, classification and cataloguing, reference and bibliographical services, documentation and information services, summary descriptions of these functions or programmes and comparative figures of current and proposed expenditures. In this type of budget, provision is made for various activities of each department. This method allows the heads of various departments to gauge their requirements and watch their expenditures.

Performance Budgeting:

This budgeting method is similar to programme budgeting, but the emphasis shifts from programmes to performance. The expenditure is based on the performance of activities, and the stress is laid upon operational efficiency. This method requires the careful accumulation of quantitative data on all the activities over time. Management techniques such as cost-benefit analysis measure performance and establish norms. For example, data on the number of books acquired, classified and catalogued, actual person-hours for the entire processing work, etc., are collected to determine the human resources and materials needed to perform the tasks. It emphasises the performance and operational efficiency of the programmes. Like programme budgeting starting with a statement of agency objectives, full consideration to alternate ways of achieving the objectives and a logical selection of the best is made based on effectiveness, efficiency and cost-benefit analysis.

Unit cost for specific operations multiplied by the volume of operations anticipated would give the budget. The advantage of the method is the emphasis on the service mission of the library. However, it isn't easy to quantify service quality and activities. In other words, this method measures only quantity, not quality, which is rather difficult to measure in terms of money. Budget allocation for a service institution like a library has little direct relationship to the degree of satisfaction users receive from library services. Measuring the benefits of libraries in Rupees, complex interrelationships of costs of different operations, and nonlinear variation of cost for every unit output (marginal/incremental cost) are some of the hurdles in

working out the budget by this method. It may look too humble and beg for a review of each operation annually by authorities.

Planning Programming Budgeting System (PPBS):

This budgeting method was first proposed by USDOD (United States Department of Defence) (1961). Two key elements of PPBS are budgeting and systems analysis. As an extension of programme budgeting, PPBS involves systems analysis, OR (Operation Research) and other cost-effectiveness processes to provide a more systematic and comprehensive comparison of costs and benefits of alternative approaches to a policy goal or programme objective. This establishes a rational basis to enable decision-makers to choose between alternative programmes. This method combines the best of both programme budgeting and performance budgeting. The focus of this method is on planning. It begins with the establishment of goals and objectives and ends with the formulation of programmes or services.

The controlling aspect of measurement, central to performance budgeting, is also an important part of PPBS. This method combines the functions of planning activities, programmes and services, translating them into tangible projects and finally presents the requirements in budgetary terms. Great disparities exist in practice, and the lack of standards for measuring programme effectiveness/performance is the difficulty of implementing PPBS. It also suffers from other implementation problems and some critical gaps like (i) focusing on what will be done rather than how to do it, (ii) failing to provide an operating tool, (iii) lack of a mechanism to evaluate the impact of various funding levels, (iv) focuses on new programmes or major increases on ongoing programmes rather than forcing continued evaluation of existing programmes, and (v) cost calculation is based on the decisions made in the planning and programming steps.

Zero-Based Budgeting (ZBB):

The method, developed by Peter Phyrre during the early 1970s, requires thorough knowledge of the organisation, time, effort and training. Having much in common with PPBS and opposite to historical budgeting, it emphasises current activities and the necessity to justify each part of the programme every year. It assumes a budget of 'zero' for each programme until one convinces the appropriating authority that the programme is worthwhile and deserving of support at a specified level. It does not allow for incremental growth in the budget. ZBB is an operating, planning and budgeting process which requires each manager to

justify their entire budget request in detail from scratch (hence zero-base) and shifts the burden of proof to each manager to justify why s/he should spend at all. This approach requires that all activities be identified and developed as “decision packages” and systematic evaluation and ranking of these “decision packages”, preferably using a computer. It does not consider what happened in the past but emphasises current activities. Every programme and activity is spent out, and the financial requirements are worked out without reference to the past. In other words, a request for financial support must be established annually. No activity could continue simply because that activity was undertaken in the previous year. In other words, the entire budget is justified from scratch.

The steps involved in the preparation of ZBB are:

- Activities/ programmes are grouped into lowest-level entities,
- Objectives and activities of each programme examined, and alternative Budgeting Techniques and methods evaluated,
- Programmes are then grouped into a series of ‘decision packages’ with their statement of purpose,
- Ranking of the ‘decision packages’,
- Cut-off point corresponds to the total budget allocation.

ZBB improves library plans and budgets and helps develop good management teams. It also helps to accrue follow-on benefits over the years. Yet the serious problem of enormous time and efforts required together with other administrative problems as well as problems of developing and ranking ‘decision packages’ prevents its adoption in libraries.

Budgetary norms and standards:

For financial planning and budgeting, standards and norms have been set/proposed by professional experts, committees and bodies. They are useful in estimating budgets, seeking and justifying funds, and allocating budgets among various expenditure items. Having some idea of the budgeting methods, let us now discuss the standards and norms that form the basis of estimating library funds required and the distribution of funds to major items of expenditure within the total library budget. We will discuss the basis for estimating the financial requirements of libraries in the next section with three important methods of

estimating funds, namely, i) per capita method, ii) proportional method and iii) method of details.

These methods make use of established standards and norms. However, the other aspect of budgetary norms and standards that needs attention in this section is the distribution of budgetary funds to different competing expenditure items. The major items of expenditure in libraries are books and journals, salaries and allowances, which are to be combined to generate services. Ranganathan has suggested that the proportion of expenditure of a university library on these two major items be as follows:

Staff: 50%

Books and other reading materials: 40%

Miscellaneous: 10%

The University Grants Commission Library Committee (1957) has suggested that a university library with 5,000 students and 500 teachers and research fellows should have a budgetary provision of Rs.3, 50,000 out of which Rs.1, 75,000 would be spent on books, journals and other kinds of reading materials, and a similar amount on staff, implying thereby that the expenditure on books and staff may be equal. But the general trend on library expenditures tends to be higher for staff salaries than for books. Taking into account the recommendations of the University Grants Commission, university and education commissions and library experts, the general norms appear to be as follows:

Salaries and allowances: 50%

Books: 20%

Periodicals: 13%

Binding: 7%

Others (supplies, maintenance, etc.): 10%

In the case of public libraries, the distribution is more or less the same for the two major expenditure items.

Salaries and allowances: 50%

Books: 20%

Periodicals and Newspapers: 5%

Binding: 5%

Others: 20%

Financial estimation:

By now, you have realized the fact that the success of any institution depends upon an adequate and regular flow of finances. This is true of libraries also. The foundation of proper financing depends upon correct and effective estimation. Just like the government, institutions, individuals and families attempt to make financial estimations of their needs and resources, libraries also have to prepare financial estimates. How to estimate, on what basis, and how much finance a library requires depends upon the age, jurisdiction, quantity and quality of reading material, the number of readers and other factors relating to that particular library; some important bases for financial estimation for libraries are:

User population and its composition

Material to be acquired (media, nature and type of information source)

Services to be provided vis-à-vis objectives

Hardware and software requirements

Unsatisfied service pressures, if any, are the most frequently used factors in determining the financial needs of a library

Established national and international standards for quality in services often expressed as minima of materials, personnel and operational funds for a given size of library

Increase in prices of reading materials and inflation. Three methods generally used for estimating library finances are discussed below.

Per Capita Method:

In this method, a minimum amount per head is fixed, essential for providing standard library services. The educational and cultural standards of a community, the expectations of its future needs, the per capita income of the society, the average cost of published reading material, and the salary levels of the library staff are the common factors that go to determine

the per capita library finance in public and academic libraries. The per capita estimate can be based on the number of literate persons or adults. However, the safest method is to calculate library finance per head of population. The University Grants Commission Library Committee recommended that a university provide Rs. 15 per student and Rs. 200 per teacher for acquiring reading material for its library. The Kothari Education Commission (1964-66), however, recommended that as a norm, a university should spend each year about Rs. 25 for each student and Rs. 300 per teacher". Ranganathan suggested that per capita expenditure on university and college libraries should be Rs. 20 per student and Rs. 300 per teacher, or Rs. 50 per student. In schools, per student appropriation of Rs. 10 should be available for the library. For public libraries, Ranganathan suggested a 50-paise per capita expenditure way back in 1950. The per capita figure must now be much higher, which is the method's inherent limitation as it does not provide for inflation and devaluation.

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Proportional Method:

This method presupposes that the authorities provide adequate finances to the library from their regular budget and that a particular minimum limit is fixed. A generally used measure of adequate support is the percentage of the institutional budget allocated for library purposes. Various standards have been recommended for deciding this limit in India. The University Education Commission had recommended that 6.5 per cent of a university's budget would be a reasonable expenditure on its library. The Commission suggested that "this expenditure could vary from 6.5 to 10 per cent, depending on the stage of development of each university

library". In practice, most universities in India hardly spend three per cent of their total budget on their libraries. Most authorities agree that a college should allocate four to five per cent of its total expenditure to the library. Ranganathan suggested that either 10 per cent of the total budget or 6 per cent should be earmarked for public library purposes. This method is likely to lead to a high disparity in the case of special libraries as the budgets of high technology, and capital-intensive organizations are much larger than those of pure research, social science and humanities institutions.

Cost analysis:

Cost analysis is the basic tool of cost study. It is the primary mode of study that helps carry out other descriptive and analytical methods of cost studies. Moreover, data derived from cost analyses can be further used for accounting, budgeting, and performance measurement procedures. A sound and convincing budget presentation is generally based on an underlying cost analysis of different alternatives. Cost analysis measures monetary or time sacrifice made to achieve certain ends. Cost analysis involves measurement of the resource input to the system, understanding the nature of the work carried out, and the labour time needed to carry out the work. In cost analysis, the analyst isolates those areas of task considered relevant to the given end and on which information is required for descriptive or decision-making purposes. Cost analysis includes several broad conceptual and operational principles. It considers both the cost and result (in terms of benefit, effectiveness, utility etc.) of a system and its alternatives. This method is very much applicable in libraries and information centres. Using this method in libraries and information centres can lead to more efficient use of resources, reduce the cost of reaching particular objectives, and give an idea of what can be accomplished for any particular budget or other resource constraints. Policy decisions in the library and information centres must be increasingly based on the cost and results of these decisions.

Before starting cost analysis, it is essential to establish the analytical framework. The framework consists of identifying the nature of the problem, clarifying the alternatives to be considered for analysis, identifying the primary and secondary audiences for the analysis, and selecting the appropriate method of analysis. At the most detailed level, a monetary expense is identified on a task-by-task or operation-by-operation basis. It is a very flexible tool, so almost any system part can be scrutinized. For effective cost analysis, it is essential to define every unit being cost. These units are referred to as the cost centre cost unit.

The steps involved in cost analysis are:

- **Identification and quantification of the process:** the process to be analyzed must be named in a manner which will permit isolation of that particular item throughout the accounting process, e.g. acquisition process, circulation process etc.
- **Division of the process into smaller component steps:** after identification of the process to be analyzed, it is divided into smaller units or components to facilitate analysis. For instance, the acquisition process can be divided into book selection, ordering, purchase, accession etc.
- **Determination of resource requirements for each step:** identification of the resources required for every component step is essential for cost analysis purposes. Four resources generally associated with any process are - manpower, supplies, supervision and environment. Apart from that, another important resource usually needed is equipment. Each resource type has its typical characteristics that need to be studied thoroughly to see their impact on the cost of the process.
- **Identification of time and volume for a process and relate it to cost:** the process under analysis needs to be quantified in terms of time required or volume of work done to relate it to cost.
- **Cost analysis and alternates:** cost analysis involves scrutinising the activities involved in the process and the alternative methods of doing the job. This way, one can correctly judge the benefits of a particular process.

Cost Analysis Approaches:

Several different but related terms or concepts are used in the cost analysis process, which are different approaches to cost analysis. Important approaches to cost analysis are:

- i) Cost-effectiveness
- ii) Cost-benefit
- iii) Cost-utility
- iv) Cost feasibility

Though these approaches are related, they are distinguished by their unique characteristics and are required for specific applications.

Cost Benefit Analysis:

Cost-benefit analysis is an important tool used by welfare economists. It refers to evaluating alternatives concerning their cost and benefits measured in monetary terms. Thus it tries to evaluate a particular project's social costs and benefits and helps decide whether to go ahead. Cost-benefit analysis tries to measure the value of the cost and benefit of each alternative. The alternative that provides the maximum cost benefit may not necessarily be the most cost-effective solution. The emphasis is more on the social benefit rather than on economic benefit. Cost-benefit analysis is essential for long-term decision-making as it is not confined to the immediate impact of producing goods and services.

The advantages of cost-benefit analysis are that it helps in the following:

- i) ascertaining if any particular alternative has benefits exceeding its costs;
- ii) identifying the set of alternatives with different objectives which have the lowest cost-benefit ratio;
- iii) determination of the set of alternatives among different programme areas, e.g. education, health, security, etc.

Having the least cost-benefit ratio for overall investment analysis for the society's well-being. The only disadvantage of this system is that it is difficult to measure the costs and benefits in financial terms. One may face many difficulties in collecting data, and the result may not always be accurate. Cost-benefit analysis is the most appropriate tool for resource allocation in public welfare services like libraries and information centres, where the output derived may not be direct and tangible. While cost-benefit analysis is a long-term approach, cost-effective analysis is a medium or short-term approach. The cost-benefit approach may be used for choosing between alternatives, and the cost-effective approach, on the other hand, can determine the most cost-effective means of production and delivery of goods and services.

Cost-Utility Analysis:

Cost-utility analysis refers to the study of the alternatives concerning their costs and the estimated utility derived. While cost-effective and cost-benefit analysis requires using quantitative data for decision-making, the cost-utility approach uses a wide range of qualitative and quantitative data. Cost-utility is an appropriate tool where subjective

assessments are made, e.g., assessing the possible outcome of a particular library service. The major advantage of this approach is that it is not strictly based on quantitative data. It is possible to derive results with imperfect information and also tackle the problem of uncertainty. However, the disadvantage of this approach is that since most of the assessment is based on subjective analysis and not on any standard methodology, it is difficult to reproduce accurate results. Moreover, different evaluators will have different results for the same data set. Further, there are no standard methods of deriving social utility based on the combined utility of every individual.

Cost Feasibility Analysis:

Cost feasibility analysis is an approach to estimating the cost of alternatives to ascertain whether they could be considered. If the cost of any alternative exceeds the budget or other resources, then that alternative is not considered for further analysis. While other approaches like cost-benefit, cost-effectiveness and cost-utility consider both the cost and result of the alternatives, the cost feasibility approach considers only the cost factor for the analysis. Thus, a cost feasibility study is a limited form of cost analysis that can only ascertain whether the cost of the alternative is within the limit of the available resources and does not determine which alternatives are to be selected.

Methods of Cost Analysis:

In cost analysis, a series of measurements and observations are carried out around a given process. The various stages of cost analysis measurement are:

- **Costing of the Input:** At this stage, the quantities of various inputs, i.e., labour, materials etc., required to carry out the process are identified, and their costs are established. Costing labour is a difficult task and is generally done based on the labour time expended at the appropriate labour cost rate. Input cost can be equated to fixed cost, providing a basis for calculating the minimum cost of a process.
- **Costing of the Throughput:** Throughput is the stage in which the actual production work is carried out. At this stage, cost indices are prepared based on the input cost data and used to monitor and assess the performance of the process. Throughput cost eventually determines the actual cost involved in a process and is, therefore, involved with the variable production costs.

• **Costing of the Output:** Output costing is the final stage of cost analysis. This is calculated based on the summing up of input and throughput costs. Output cost also deals with the production volume and the productivity of the resources used for a particular process. It further helps in measuring the performance of a process and determination of the price.

There are two methods of cost analysis:

- i) Work measurement, and
- ii) Estimation or ingredient method.

Work measurement attempts to measure the exact quantities of labour time used to carry out particular tasks under study. It is primarily based on the work and time study and uses various methods of data collection, e.g. works diaries, activity or work sampling etc. On the other hand, the estimation or ingredient method is the sub-class of work measurement study and is used wherever work measurement is impossible. This method identifies the quantities of resource inputs required to produce outcomes through observation or discussion with the staff. Monetary costs of these ingredients are then estimated based on the gross annual expenditure incurred for the total system under various headings. The estimation method gives more accurate results for cost analysis, and it is commonly used in libraries and information centres. However, in the long run, the estimation method needs to be complemented with the work measurement method and other costing methods like budgeting, accounting, performance evaluation, etc., to get satisfactory results.

The cost of every unit is done to proceed with the cost analysis of the system as a whole. The ingredients required for any system can be broadly classified into personnel, Facilities, Equipment, Materials, and Other inputs. These five basic heads are further divided into smaller units to facilitate the costing process. However, the standard cost analysis methods cannot be applied to library and information services costing because of their non-profit-making and service-oriented characteristics. The next section provides a clue as to how this problem should be tackled.

Analyzing Cost in Library and Information Centers:

Library and information centres exist both for profit-making and non-profit-making organizations. The profit-making organizations usually charge for the services provided by them. With the ever-increasing demand for information, non-profit making organizations are also being forced to price their products to make it possible for them to recover the costs

incurred to some extent. Costing of library services or activities is essential for determining the prices for library and information services. Apart from the pricing of products and services; cost analysis of various library and information services has the following advantages:

- i) It helps estimate expenditure for each service or operation.
- ii) Cost data can be utilized for the measurement of the efficiency of an operation and the benefits derived from it.
- iii) It ensures optimal utilization of the resources of the library.
- iv) It helps in evaluating the efficiency of the staff.
- v) Library managers can utilize them for decision-making to determine future actions.
- vi) It helps control library operations by keeping track of the inputs required and the output derived.

Cost analysis for library and information systems can be categorized into macro-costing and micro-costing. In macro costing, the present cost of the system is determined to estimate the future trend. In micro-costing, the system is divided into units, and the cost of each unit is determined. The unit costing method facilitates analysis of the cost of a specific unit of service.

Direct costs include personnel, equipment, materials etc. Indirect costs, on the other hand, are those that are not directly related to an operation but are needed to carry out the operation e.g., stationery, cleaning and maintenance of the workplace etc. The process of a cost analysis of a library and information centre can be carried out in the following manner:

Step 1: Determination of the unit of product or service to be measured, e.g., circulation service, reference service etc.

Step 2: Determination of the cost centres for each library operation. Cost centres can be further divided into direct program centres such as reference service, circulation service etc. or support service centres such as acquisition, administration etc.

Step 3: Collecting cost data for each cost centre and its activities.

Step 4: Appropriate allocation of the service costs to the program's cost centres.

Step 5: Determination of the unit cost by deviling the total cost of a cost centre by its appropriate unit of measurement.

Virgo suggests the following steps of cost analysis for the Total cost approach:

- 1) Identify cost centres and break them into sub-cost centres, ensuring that every task done in the library is accounted for.
- 2) Construct a list of activities or tasks performed by each employee and the total time they take to perform their duties. This should include non-productive time such as tea or lunch breaks, leave, vacations etc.
- 3) Select the unit measures that describe each employee's outputs.
- 4) Record daily the time spent doing a task and the total output units.
- 5) Summarize the time data and the output data every month.
- 6) At the end of the year, summarize the total time data for each employee and multiply it with the salary and other benefits received by the employee.
- 7) Consolidate data for all employees by task, activity and cost centre at the end of the year.
- 8) Allocate non-personnel expenses to each task, activity and cost centre.
- 9) Allocate indirect costs, both operating expenses and support service cost centres, to the program cost centres.
- 10) Determine the appropriate average cost for each unit of measurement, e.g., books, catalogues, reference searches performed etc.

On the other hand, the cost-finding approach uses available financial data from the budget details, analysis of complex transactions and interviews with staff, etc. The steps in this approach, according to Virgo, are:

- 1) Identification of cost centres.
- 2) Determination of activities and tasks related to cost centres.
- 3) Selection of unit cost measures appropriate to cost centre, activity or task.
- 4) Collection of unit cost information through the following steps:
 - Determination of hourly costs in terms of the time library personnel spend.

Actual time spent by the staff to perform a task.

- Direct supplies and materials required to perform various tasks.
- Other direct expenses such as travel facility etc.
- Determination of the total direct activity cost.
- Determination of the indirect operating expenses such as utilities etc., and their allocation to direct activity cost.
- Determination of indirect service costs, e.g., repairs, administration etc. and allocation to direct activity cost.
- Determination of the total activity cost and calculating unit cost information.

5) Analysis of the data

The most difficult task in costing library operations is the cost of labour. Calculating the unit cost through the work and time study can facilitate cost analysis. Thus, work and time study methods should be used for a cost analysis for library and information systems, which further enables the measurement of the system's effectiveness, benefit and utility. To conclude, it may be noted that "Cost Analysis yields data, but it does not evaluate the quality of service, the staff or the collection. It reveals cost information but does not tell if a cost is too high or too low. Cost analysis can be useful for an effective, thoughtful manager" (Virgo).

Method of Details:

According to this method, all library expenditure items are accounted for while preparing the financial estimates. These are of two types, viz., i) recurring or current expenditure and ii) non-recurring or capital expenditure.

Ranganathan suggested the circulation of recurring/ current and non-recurring/capital expenditures to estimate public library finances. The Advisory Committee for libraries, Government of India, followed a similar method for estimating the financial requirements for establishing a countrywide public library system.

The UGC Library Committee, in its report, suggested a staffing formula for finding out the quantum of library staff members of various categories required for college and university libraries. It has also laid down their respective pay scales. This formula can calculate the total

amount required to meet the cost of the staff. The Committee has suggested a per capita expenditure formula for books and other reading materials.

Lastly, a suitable combination of the above methods may be ideal in some situations.

Library expenditure planning:

You now have an idea of how a library gets finances for running its services. Expenditure is the second most important aspect of financial management. Library expenditure occupies the same place in studying financial management as consumption in an individual's daily life. As consumption is the end of all economic activities, library expenditure is the end of a library's financial activities.

Importance of Library Expenditure:

Just as you spend money on your books and studies, so do libraries spend money on books and periodicals, readers' services, references and bibliographical services, documentation and information services, etc. The objective behind all these is to supply the right document to the right reader at the right time. The library expenditure is generally undertaken to satisfy the academic requirements of the readers and provide those documents which the readers, in their capacity, cannot and do not want to purchase. Besides, no individual can purchase all the literature from presses of different countries, on different subjects, in various languages, and diverse forms. The library is the only agency that can acquire, process and make all this literature available to readers. All this means spending money and more money.

Nature of Library Expenditure:

There are three major characteristics of library expenditure.

a) Library is a spending institution: Libraries, unlike many government departments, are not revenue-fetching agencies. They are spending institutions, and they participate in nation-building activities. The money spent by the library is a long-term investment in human capital.

b) Library is a growing organism: The library trinity of documents, readers and staff always grows. It implies that the requirements of the library will always go on increasing day by day. All this means more expenditure.

c) Library expenditure is recurring: Libraries are not only spending and growing institutions. They are also permanent bodies. In an era of educational advancement, library

services will have to maintain a continuous rhythm to cope with the academic requirements of the clientele. This means that library expenditure is recurring in nature.

Principles of Library Expenditure:

a) Principle of maximum aggregate benefit: The library serves different types of readers. Therefore as a librarian, you should be neutral and see that no particular individual is specially benefited from your expenditure policy. It would be best if you planned your library expenditure in such a manner that the majority of readers derive maximum benefit from library use.

b) Principle of planning: Library expenditure should be planned. A proper estimate should be made for different items so that adequate and balanced revenue may be allotted to different heads. Orders should be placed in advance to acquire the needed materials in time. The librarian should avoid last-minute purchases.

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c) Principle of equitable allocation: Library funds should be equitably allocated for spending on different types of reading material covering various subject areas. For example, books on science and technology are costlier than language books. Costly reference books become outdated faster in some subject areas than others. However, their principle may be applicable in special libraries as most documents have to be spent in reference and periodical literature. Normally, 70% of the publication grant is allowed for periodicals. All such factors must be considered when spending money on library use.

d) Principle of the economy: You should not spend more than the necessary amount on any item, and the expenditure should not exceed your sanctioned grant. Duplication should be avoided because the extra amount thus saved could be better spent on purchasing new alternative titles covering additional subject areas.

Classification of Library Expenditure:

Generally, money spent on buildings, costly equipment and furniture is shown against capital expenditure, and other items which occur almost throughout the year, like books and periodicals, stationery and postage, binding and contingency, salaries and wages, etc., are shown against current expenditure. However, you can classify library expenditure according to different heads, viz.

(a) salaries and wages, (b) binding, (c) stationery, (d) postage, (e) contingency, (f) books and periodicals, (g) furniture, (h) building, (i) equipment and (j) publications.

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UNIT – 4

MATERIALS MANAGEMENT

Objectives:

- To learn about the management of materials in public libraries.
- To get to know about the evaluation policy.
- To learn about the issues relating to selection acquisition.
- To further know about circulation, preservation, conservation etc.

Introduction:

A modern library, therefore, should enrich its collection of information records keeping in mind the needs of its users - potential as well as actual. In addition, it should also see that the information available in its documents is relevant, nascent and authentic.

A library can serve "its real purpose if it acquires, processes and puts to use documents that are useful to its users. Collecting the latest documents relevant to the aims and objectives of the parent organisation within the constraints of the funds and infrastructure available is a great task for any library. Similarly, weeding out documents that become irrelevant and unusable for one reason or another needs sound judgement and policy.

Collection development:

Definition and Meaning of Collection Development:

Encyclopaedia of Library and Information Science says, "Library Collection is the total of library materials - books, manuscripts, serials, government documents, pamphlets, catalogues, reports, recordings, microfilm reels, micro cards and microfiche, punched cards, computer tapes, etc. - that make up the holdings of a particular library". Therefore, collection development in a library would mean building up and improving the collection in that library. Earlier librarians were concerned merely with the acquisition and preservation of reading materials.

At that time number of documents was more important than the information they contained. That is to say, the quantity was given the utmost importance in a library. There is a change in this outlook now. User needs have gained importance now. The term Collection Development has evolved to emphasise the need to respond to user's needs; Bloomfield (1987) says, "to

meet the demands, librarians have evolved theories of collection development, which imply a more active role in managing library's collection and indicate that the role may change, and develop in response to changing conditions", With the change in our outlook towards library and information services we are now more conscious of user needs, the usefulness of information, available with us, and wide and expeditious dissemination of information. Harrods's Librarian's Glossary (6th edition) defines collection development as "the process of planning a stock acquisition programme not simply to cater for immediate needs but to build a coherent and reliable collection over several years, to meet the objectives of the services". Collection development is sometimes considered as synonymous to "Collection Building" which means that there is already a nucleus of collection in the library and the librarian is going to build up the collection. But collection development is a term other than collection building since the word development implies qualitative improvement of the collection. That is why Shipman said, "Building a Collection may occasionally involve the selection and acquisition of Materials ab initio, but in most cases, it is likely to mean the planned, systematic development of an already existing collection",

Purpose of Collection Development:

Collection development implies the selection, acquisition and evaluation of the library collection to see that print and non-print materials available in a library are really useful to the clientele. Collection development, therefore, dispenses away with arbitrary selection and acquisition of documents. Similarly, it envisages periodic evaluation of the library stock to improve its collection and weed out irrelevant, outdated and unnecessary documents from the library. It also means that users' needs should be kept in mind while building up the collection.

The purpose of collection development now becomes clear. Its purpose is to find out the users' information/document needs to:

- fulfil the library's obligation to the user community to provide relevant and nascent information;
- find out the users' information/document needs;
- select and acquire documents that are useful to the clientele;
- adopt systematic and judicious spending on a document collection, keeping the objectives of the service in mind; and

- periodically review the collection to weeding out unwanted and outdated documents.

Pre-requisites of Collection Development:

Collection development is an interplay of the library's aims and objectives and the strategies of the librarian and his staff to meet the users' needs within the constraints of the library. For this purpose, the library has to formulate a clear policy for the acquisition, periodic evaluation of the collection and the systematic weeding out of documents.

Bloomfield observed that the collection development involves the identification of some of the key issues like:

- Identification of the purpose and mission of the library/parent organisation;
- Formulation of the library's collection development policy by library committees or by library staff;
- Matching between user's requirements and institutions aims and objectives;
- Budgetary provisions and the contingent problems;
- Working out the strategies for implementing the policies and programmes;
- Maintaining, revising and updating policy statements.

Collection development policy:

Collection development policy is the course of action adopted for developing the collection or stock in a library. A policy can be an unwritten convention or a written document. The American Library Association's Collection Development Committee, when preparing "Guidelines for the formation of collection development policies", assumed that "a written collection development policy is for any library a desirable tool which enables selectors to work with greater consistency towards defined goals, thus shaping stronger collection and using limited funds more wisely". A written collection development policy is preferred to non-written policy. Katz (1980) and several others feel that CD policy should be a written policy. Futas (1977) states that a written policy "encourages stability and continuity in the library operations". Feng also feels that such a policy statement assures a consistent and balanced growth of library resources".

Advantages of Collection Development Policy:

As noted above, it is always better that the Collection Development policy is written. From time to time, the library may have to review its CD policy due to policy changes of the funding agencies or the parental organisations. But, by and large, many aspects may remain the same. Several authors like Katz, Magrill and Hickey mentioned the advantages of a written Collection Development policy. Their views can be summarised as follows:

A Collection Development Policy:

- expresses its relationship with the objectives of the parent organisation library openly;
- forms the basis for planning collection development;
- provides practical guidance in the day-to-day selection of reading materials free from personal bias;
- helps in determining the best method of acquisition;
- Supports and assists in justifying the selection collection. CD policy offers some help against censorship by a clear statement of the type of materials to be purchased and indicating that the policy has the support of the library authority/ committee;
- acts as a rational guide for budget allocation and also helps in long-range budget planning by stating priorities and outlining growth and development goals;
- helps iri make the best use of resources;
- facilitates cooperative programmes like inter-library loans, resource sharing and networks;
- .assists in establishing methods of reviewing materials before purchase; and
- offers suggestions on types of materials to be stored, weeded out and discarded.

Guiding Principles:

From the above, we observe that a Collection Development Policy should essentially state the policies of the library on the:

- The selection and acquisition of reading materials;
- The nature .and method of periodic evaluation of the reading materials available with it;
- The storage and weeding out of the collection; and
- Resource sharing and networking.

The guiding principles for evolving the Collection Development Policy are:

- The goals and objectives of the organisation/institution;
- The needs of the user community, actual users as well as potential users; and
- The availability of financial and other resources.

Goals and Objectives of the Institution:

The institution or organisation of which the library is part and parcel and for whose information needs it works keeping in mind, its aims and objectives are known as the parent organisation. In the case of academic libraries, the academic institution whose aims and objectives are the concern of the library will be the parent organisation. For example, the University of Delhi is the parent organisation for the Delhi University Library System. The system is supposed to consider the aims, objectives and activities as the three important objectives of colleges, universities and other institutions of higher learning.

However, in the case of school libraries, the objectives can be identified as 1) instruction, 2) recreation, and 3) extension activities. Though broadly common aims and objectives can be stated for academic libraries, there may be differences in the objectives and goals of one academic library to another academic library, even in the same category. This is because the parent organisation's priorities, specialisations and thrust areas may be different from one organisation to another. Even the same library may evolve new functions and new goals from time to time. Therefore, the CD policy of an academic library should be guided by the aims and objectives of that type of library in general and of that library in particular. The policy also needs periodic review to keep in tune with its changing objectives and goals. Policy review is necessary to meet the changing situations and requirements.

Needs of the Users:

For any library, users are very important. A library gets its justification when the users are satisfied with its services. There is another aspect also. It is not sufficient if the library satisfies the regular users, it should also attract those of its clientele who, for one reason or another, are not using the library regularly. That is how library users are classified as actual or real and potential users. Potential users are not currently using the library and its services. Still, they are likely to use them once they are informed and motivated by the library about its functions and services. The clientele of an academic library can be grouped into three

categories: students, teachers and supporting staff working for the academic institution. In the case of a university or an institute of higher learning, the student community can again be classified as students taking regular courses; and research scholars. Though recreational reading materials are not the prime concern or essential concern of an academic library, to meet the needs of supporting staff, some amount of such literature also should find a place in an academic library. 'Collection Development policy should therefore strike a sensible and prudent balance between the various requirements of different users at different levels in various disciplines.

Availability of Resources:

The Collection Development policy heavily depends on the library resources available. The finances, the infrastructural facilities like library space, furniture and equipment, the hook up with other libraries for resource sharing, etc., determine. The planning of CD policy. Above all, the availability of documents is yet another ~constraint on the policy, particularly if the relevant and useful documents happen to be foreign publications; the CD Policy has to recognise the problems of foreign exchange, higher costs and time lag in collecting such documents.

Components of Collection Development Policy:

Based on certain guiding principles, a Collection Development policy should cover the selection and acquisition policies, the evaluation programme, the storage and weeding out policies and the resource sharing and networking programmes.

In a summarised form; Katz lists the various components of a collection development policy as follows:

- objectives of the library;
- philosophy of the library;
- purpose of the library;
- brief description of the community;
- who is legally responsible for the operation of the library and selection of materials;
- method of selection, as well as limitations of budget, served, different age groups of users and similar information;

- type of materials excluded;
- an indication of how the collection is to be built in terms of a) level of collection intensity, b) language, c) chronological period covered, d) geographical areas collected, e) form of materials collected, and f) who is responsible for selection;
- Acquisition of foreign language materials;
- Statement of handling gifts;
- Clarification on weeding out and discarding practice; and
- Statements regarding intellectual freedom.

The above points show what items will be covered when the Collection Development Policy is prepared. You have already noted that it is better if the collection development policy is in written form.

For developing a sound and comprehensive collection of knowledge - old and new - for use by the living ones and posterity, there are just three possible ways:

- 1) Academics of the country produce standard works;
- 2) Simultaneous publication of standard global works in India for the Indian market; and
- 3) Standard works from abroad are systematically acquired.

Book Production by Academics:

"The real academic climate in a country is generated when a common academic conduct rigorous inquiry (which is properly assimilated) synthetic in character and continues intellectual work for life. This common academic effectively teaches the younger generation and continues to learn through research and objective thinking, and ultimately, the fruits of their efforts are produced as academic works. These academic works are called books. Right from 1800 A.D., the Indian teacher did not earnestly take to book production as one of the major responsibilities of an academic. It was always a practice to import all needed books written by English authors for use in Indian colleges and universities. Even independent India has a textbooks programme, duly stamped by the Government of India, for acquiring British, American and Russian books for use in our colleges and universities. Scores of top-level .experts as professors in universities and renowned institutes have not produced quality books for their students. No evidence exists to show that our academics ever took to book-writing as

a part of the duties of the academic community. We left the gaps to be filled by other professions". (Prof. A.P. Srivastava). One of India's heavily used book series is "ELBS" books from England. The British government has been subsidizing this programme for the last fifty years. Now, the British government has decided to withdraw the subsidy, resulting in a crisis for Indian students. Indian authorities in five decades have done nothing in this field. They perhaps thought that the British subsidy shall be a perennial one and that they had no role to play in generating standard books for higher education.

Simultaneous Publishing:

On the one hand, our performance has been very poor. Secondly, we observe that many books get simultaneously published in the English language world. New York, London, Sydney and Canberra, but Bombay, Calcutta or Delhi are not included in such collaborations. The main reason for the absence of India in simultaneous publishing has been the lack of trust of foreign publishers in Indian publishing houses and the book trade in India. If the Association of Indian Universities or the University Grants Commission had sponsored collaborative publishing with foreign publishers, it would have been possible to get simultaneous publishing in India. Therefore, only the third alternative of professional collection building has been left to sustain higher education in India. When the money is scarce and its utilisation on books, etc., is unsystematic, unprofessional, casual and ad-hoc, it is obvious that much success will not be achieved in collection building in our university libraries. This anarchy has not created problems leading to an academic revolution of a threatening nature because, as Gidwani stated in 1967, the faculty and the students, as a routine, did not require books, journals, etc., for their teaching-learning processes. Gidwani observed:

"The causes why Indian University Libraries continued to be grounded and have so far failed to reach a take-off stage despite the grants pumped in by the UGC are the same, which underline the ineffectiveness of higher education itself. The main reason is that we have today a self-satisfied faculty which inexplicably does precious little to keep itself intellectually alive, with the consequence that practically no rubbing of mature minds takes place on the campus. The teacher lacks a relentless drive for initiative, enterprise and experimentation in his teaching content and methodology. The wide-spread apathy on the part of academicians will be amply established if one goes round the reading halls of a

University Library. One rarely finds the faculty there. Senior teachers seem to feel that it is derogatory for them to be seen often in the library."

The collections available in various university libraries are not there due to meticulously drawn acquisitions policies covering curricula needs and users' demands. The modern roles of professional library and information science are not involved. As stated earlier, these collections have developed through the common phenomenon of happenstance, where money has had to be spent by the end of each financial year on whatever the country's booksellers could manage limited and casual stocks

Weeding out policy:

Meaning and Purpose:

We have noted earlier that the weeding out policy is an important component of the collection development policy. Weeding out documents means removing useless or serviceable documents from a library. Documents removed from the library may be completely discarded where they are not serviceable; they are donated to some other library where they may be useful or kept in a reserved place called a dormitory library.

Weeding out policy means a policy statement: a) What materials should be weeded out? b) When to weed out? c) Who should weed out? d) How to weed out? e) What to do with weeded materials? With the explosion of knowledge, documents are now being published in millions. New areas of knowledge are coming up, and some of the earlier ideas and thoughts are becoming outdated. For a modern library, it is a question of money and space to get all new documents which are relevant and useful. Particular space for keeping documents has become a major problem for university libraries. Solutions were attempted earlier, and even now, attempts are being made to find suitable solutions. Saving space is not the only reason for thinking about weeding out of documents. Some of the documents may get worn out because of continuous usage. Similarly, some of the documents may become brittle and unusable with time. But the most important reason is that some documents may become useless since the thought content therein has been modified in a subsequent edition; or because the information in the document has become obsolete. In modern times, documents may be weeded after transferring the information to microforms and computer .tapes and disks.

The Library Committee of the University Grants Commission's report on the need for weeding out says: "Many works lose their value within one generation, say in twenty-five years. By that time, their thought-content of same may even be wrong. In a service library, no useful purpose is served by retaining such pedestrian books and providing shelf space for them after they have become obsolete. The proper course is to weed out periodically. They should give place to current variations of them."

Discouraging Factors:

Despite the compelling reasons for periodic weeding out documents from a library, many librarians hesitate to put it into practice. It is quite evident in our country. The following are some of the reasons for such apathy:

1) Love for Numbers

The glory of numbers in libraries is still there. Though modern librarians realise that quality of service is more important than the number of documents in a library, even then, they hesitate to weed out documents that are no longer useful. This is mainly because official reports to be submitted by them emphasize numbers.

2) Sanctity of Collection

Many feel that every book, however old it may be, has its value. Sometimes they think that antiquity enhances the book's value even though it's an exact reprint in a better physical condition is available in the market. But in a service library, documents lose their value and significance if mixed up with many outdated and useless documents.

3) Pressure of work

The library is a dynamic organisation, and work pressure will always be on the library professionals. Since weeding out implies careful, prudent and justifiable action, which needs time, librarians hesitate to weed out. Hindrance to or dislocation of routine duties due to time consumed by weeding out work may not be appreciated by the clientele.

4) Fear of Audit and Clientele Comments:

At the time of the audit, one may face objections to documents for which amounts were paid and not found in the library. Similarly, the clientele may comment upon the documents weeded out of the library, saying that some very useful documents were discarded. But a librarian need not get discouraged by these factors. A clear and well-planned weeding-out

policy free from bias and approved by a committee appointed either for this purpose or the one looking after the library affairs will clear all hurdles. Katz says that weeding is one of the best suitable techniques available to ensure the long-range usefulness of any collection.

What Materials Are To Be Weeded Out?

J.S. Sharma (1978) listed the type of materials to be weeded out from a library as a matter of policy; in 1994, H.R.Chopra restated the same list. The following are some of the types of materials that are to be weeded out periodically:

- Books mutilated by users because of constant use should be withdrawn.
- Best sellers, fiction, and non-fiction used by hundreds of readers become worn out after some time. Such documents should be weeded out.
- Text books and language books printed on inferior quality paper deteriorate soon. They can be weeded out once they are worn out.
- In science and technology, the developments are so fast that the books published twenty or thirty years ago have become outdated. Such books must be weeded out and replaced by the latest edition or new books on the subject.
- Reference books such as Yearbooks, Annuals, Handbooks, etc., that are published periodically have to be replaced with new editions, and the older editions are to be discarded.
- With the advent of microforms, CD-ROMs, and other space-saving technology, useful information can be stored. So, after the frequency of their use gets reduced or even at the beginning, such new documents should replace some books and journals.
- Finally, a library should always keep Ranganathan's Fifth Law "Library is a growing organism". With the increase in the number of documents, space becomes a problem. So it is essential to weed out all unserviceable materials to find a place for new and urgently needed books and other documents.

When to Weed Out?

At any time throughout the year, the librarian may come across documents which may have to be stopped from circulation as they are found to be worn out and unusable. Chopra says, "in college and university libraries, if time permits, each time a book is handled in the library, it should be examined from the angle of its physical condition and to its continued suitability.

At least once a year, the entire collection should be examined". Annual weeding out of unwanted documents is ideal.

Who Should Weed Out?

Weeding out is an exercise which requires necessary judgement and expertise. The librarian has to be personally involved in it. Sometimes members of the Library Committee, the nominee(s) of the library authority, or members of a committee appointed for the purpose may take decisions and implement weeding out of materials from the library. The advice of subject experts or senior faculty members whose judgement can be trusted should be taken for this purpose.

How to Weed Out? Or Guidelines For Weeding Out:

Weeding out should not be arbitrary. Because once we take out a document from the library, we should think of the following:

- Its replacement with a new copy or a new edition, or a new book on the subject;
- What should be done if the same document is needed later?

Several theories and guidelines on weeding out have come out in the West Fussler, and Simon felt that past use is the best guide for future use of documents. Trueswell developed a technique for weeding out a collection which would ensure a given degree of satisfaction in the future by examining the past use. There are studies by Marianne Cooper and by Raffel, and Shishko Raffel and Shishko suggested publication date should be the important criterion for weeding out documents.

The Council of American Library Association believes that in public libraries, "annual withdrawals from the collections should average at least 5 per cent of the total collection", saying that "unnecessary items remaining in a collection can weaken a library as surely insufficient acquisitions". Sinha Committee Report (Library Advisory Committee Report) (1958) holds a similar view in the case of Indian public libraries. The Report observed, "weeding out or worn out and out of date books is as important in a public library as acquiring new books...It is said a conscientious librarian should discard 5 per cent of his fiction and 2 per cent of his non-fiction every year ... " Ranganathan observes that "many of the modern books get out of date in ideas expounded in them within 20 years. After that period, such books should not be preserved in the library but should be weeded out and written off.

What to do with Weeded Materials?

Our next problem is, what is to be done with materials that are weeded out on sound principles? Of course, books and other materials completely worn out, mutilated and irreparable can be sold just like old newspapers and ephemeral materials. But suppose the books are in good condition. In that case, particularly if they are older editions of reference sources like encyclopaedias, handbooks, etc., they may have to be donated to other libraries which are not in a position to buy such costly books. Yet another way is to store the weeded-out otherwise useful documents in what is known as "Book Reservoirs". At least one copy of the weeded documents should be preserved within a region of the country. According to UGC Committee on University and College Libraries (1965) headed by Ranganathan, "while weeding out, it is necessary for service libraries - and generally, modern university libraries are service libraries - that the libraries of the country should not do it in an uncoordinated way for, it is necessary to preserve a few copies of every book somewhere in the country for the use of posterity - and particularly for antiquarian and bibliographic research."

When documents are weeded out, it should be done with a piece of specific knowledge and sanctions of the concerned Library Committee or the library authority. The Accession Register should carry the entry that the document is written off, quoting the relevant orders or proceedings of the concerned authority. The shelf list, catalogue and other records should be rectified by deleting the entries relating to the weeded documents.

Library evaluation:

There are numerous library automation products on the market, but not all of these products do the same things or do them equally well. Some, but not all, are appropriate for use in the particular situation found in your library and your community. The evaluation aims to gain knowledge about what automated systems are available and then to judge aspects of the alternated systems that are important to you and your library. Evaluation is a reiterative decision-making process. During periods of intensive information gathering, a checklist of features can be invaluable in maintaining a consistent focus and accumulating knowledge about the products that will result in valid comparisons. Here is one evaluation process that you could use:

Using the information gathered during a planning process, make a list of general features the automated system should have.

- Prioritize your list of available features.
- Make or review an existing list of available systems from the major vendors.
- Start eliminating systems based on your list of available features.
- Commit to thoroughly evaluating three or four systems of greatest interest to you.
- Make the final choice about which vendor and system your library should purchase.
- Prepare a justification for your decisions based on the information gathered in the previous steps.

Depending upon the circumstances, a library will be choosing software belonging to one or more of these distinct categories:

Prewritten, function-specific software product:

Off-the-shelf software that supports a single library activity can be purchased from a commercial vendor or sometimes acquired through cooperative agreements with other libraries; The software product must be compatible with the library's installed computer network and operating system (Windows NT, for example). A potential advantage of acquiring a pre-written software product through a cooperative agreement is lower licensing costs and greater bargaining power. Potential advantages of purchasing a prewritten software product from a commercial vendor include speedy project implementation, predictable costs, elimination of the need for local software expertise, simplified training needs, vendor support for maintenance and upgrades, an opportunity to view the product before purchasing it and access to the latest library system software designs.

Application module for a prewritten, multiple-function, integrated library system software product (ILS):

Software that integrates the support of several library activities can be purchased. In this case, adding support for an additional activity can be a matter of purchasing another application module for the library's existing ILS. The application module need only be compatible with the ILS. Purchasing an ILS 11 has all the advantages of purchasing any other prewritten software product. In addition, it can have other advantages that stem from the fact that the various ILS modules draw from and contribute to core library data files of which all modules are aware. One vendor is integrating all of the modules' activities, which can mitigate the maintenance and other integration problems that typically arise when software is procured from multiple vendors. Integrating the automated functions can also help to minimize manual data entry, synchronization, and other clerical work that is sometimes needed to get data into

and out of the automated system; as a result of this, the timeliness and accuracy of the library's transaction records and service to the library's customers can be improved.

Customized software:

The software can be designed and written to an individual library's specifications. The customized software must be compatible with the library's computing system, or additional computing hardware can be purchased to support the use of the software. For example, several libraries might have automated their online catalogue by developing applications based on off-the-shelf database management (DBMS) software. The main advantage of this approach is that the software, if designed and implemented by competent software engineers is entirely compatible with the library's current operations. Disadvantages of this approach are that it can be a high-cost alternative, incur significant delays and unanticipated costs for the automation project, and inevitably result in continuing demands for maintenance work to address the library's changing requirements over time.

Subscription service:

The library can enter into a contract with one or more automated library system service providers for metered access to the library's databases stored on the service providers' remote computer system. An example of such a service provider is OCLC. The library gains access to the service using a terminal, web page, or other client software running on the library's computing equipment. An advantage of subscribing to service over implementing the same service on equipment owned by the library is that the library can avoid start-up costs associated with initiating the service, such as the capital investment associated with acquiring new computers and software.

What Products Stand Out?

Here are some ideas about what differentiates the better-automated systems on the market today:

Interoperability with other products your library already uses, usually as a result of standards conformance.

- Tiered architecture.
- Customizable user interfaces.
- Access to full-text resources.

- Choice of patron access made.
- Multi-lingual support.
- High-quality technical support

Library routines:

Selection of documents:

In document selection, the major issues before libraries are resource constraints regarding financial resources and physical space and the ever-increasing user requirements for documents. The gap between the demand and actual library acquisitions has been widening. In this context, the proper selection of titles for building library collections assumes greater importance. Therefore, the library must decide to form its book selection policy and evolve certain acquisition principles that it may apply as guidelines in the document selection process. Book selection policy may be developed keeping in view: i) the quality and quantity of existing library collection, ii) the present and anticipated readers' needs and iii) the current budget position of the library and its staffing. The existing policy framework will, however, vary from library to library.

Public Libraries: The users of public libraries are an assortment of people. They range in age group, educational level and social and cultural background. Their information needs are both educational as well as recreational. The book selection policy must consider these diversities in meeting their literature needs. Though readers' suggestions play a good role in the book selection process, the selection committee and the librarian will play far more active roles in document selection.

Academic Libraries: This group comprises schools, colleges, and university libraries. School libraries have a homogeneous group of users. To a great extent, their needs for resources are well-defined. In the selection of materials for the library, teachers will play a dominant role. But one must not overlook the needs of students to broaden their knowledge and vision and hence the need to provide reading materials of general nature as well in the school library collection. The collections in college and university libraries are both homogeneous and heterogeneous. It is homogeneous regarding teaching programmes, the graduate and post-graduate courses. It is heterogeneous from the point of view of several subject disciplines covered in academic libraries. Besides, the selection is a mix of publications from local, national and overseas publishers. A sizeable part of their collection is

also in foreign languages. The most important characteristic of the academic library is the faculty members' dominant role in selecting resources for acquisition.

Special Libraries: Special libraries are identified by a) a small collection, b) narrow subject areas, and c) a collection of publications of recent origin. Librarians in special libraries are often subject specialists, have direct contact with individual readers and play a good role in document selection. In special libraries, the bulk of libraries, collections are in the form of serials, research reports and pre-prints of articles.

Selection principles:

Selection principles have been evolved, which serve as guides for selecting documents for the library. The followings are some well-known principles:

Drury's Principles: Drury described his principles in his book, *Book Selection*, published by ALA in 1930. It is a list of 21 points. The gist of his principles is that the aim of selection should be "to provide the right book to the right reader at the right time".

Dewey's Principles: Melvil Dewey suggested that in selecting a document, the librarian should see that the document is "the best reading for the largest number at the least cost".

Ranganathan's Principles: According to Dr S.R. Ranganathan, documents fall under three categories: documents which are of basic or of primary interest to the users; documents which may be required, at one time or other, to supplement the basic documents and documents which are of no relevance to the primary area of work. The first category is called umbral documents, the second is called penumbral documents and the third is called alien documents. The library should make a comprehensive collection of umbral documents, selective acquisition of penumbral documents and depend on other libraries to satisfy needs for documents of alien nature.

Selection criteria:

Selection of Format:

With print resources now becoming available in electronic form, an important consideration in library acquisition is determining the format in which a document should be acquired. The following are the broad guidelines for deciding the document format in the selection:

Reference sources such as directories, yearbooks and encyclopaedias get outdated fast. Hence these should be acquired in electronic format.

- Classics and text books type publications, and scholarly books in various disciplines are better acquired in print format.
- More and more serials are moving towards electronic format, some exclusively and some with their print version. Hence, serials may be acquired in electronic format.

General Criteria for Selection:

The following criteria are considered helpful in the selection of documents in print and electronic format:

- Authority of the creator of the document, i.e. the standing of the author in the world of scholarship,
- Scope of the subject in the book, i.e. broad or limited,
- Level of treatment of the material in the book, i.e. is it meant for young people, general readers or specialists,
- Arrangement of the matter provided in the book, i.e. whether it is systematic, logical and compact.

Additional Criteria in the Selection of Electronic Documents:

The following factors may also be taken into account while selecting electronic resources:

- Content: Content should be complete with examples, illustrations and appendices, news items, etc.
- Access: Access facility in terms of time, place and category of persons should be clear.
- Support: The database's hardware and software support should be very clear.
- Cost: Databases are available in various cost models; hence the library must be clear about the access cost for a document.

Selection aids:

Tools which are commonly used for the selection of document fall under two categories: a) tools which help identify new materials, b) tools which help select older documents needed to fill gaps in the library collection. Apart from these, there are tools which help complete bibliographical details missing in selected documents.

Selection Tools for Addition of New Publications:

- a) National bibliographies, including trade catalogues,
- b) Reviewing journals,
- c) Directory of serials and
- d) Advertising materials brought out by publishers from time to time.

National Bibliographies:

Most countries now publish national bibliographies recording new publications brought out by publishers of the country. These are available both in print and electronic form. These are listed in detail in *Guide to Reference Books*, Chicago, American Library Association and *Walford's Guide to Reference Materials*. London, The Library Association, 2000.

British National Bibliography London, The British Library. Published regularly since 1950 by the British Library – it is the most reliable bibliographical source for identifying new publications in English and some other European languages published in England.

Indian National Bibliography Kolkata, Central Reference Library, 1958. The Bibliography began as a quarterly publication with annual cumulation. This publication remained irregular for many years; since 2000, it has been published monthly with annual cumulation at the end of the year.

Trade Catalogues:

Publishers Weekly New York, R.R. Bowker, 1872-. In addition to providing a list of recent American publications, it also provides information about the American book trade.

American Book Publishing Records New York, R.R. Bowker is the monthly cumulation of *Publishers Weekly*.

British Book News London, Whittaker

No Indian trade catalogue is in regular publication to date.

Reviewing Journals:

Reviewing journals are a valuable source for book selection. The *Times Literary Supplement* and the *New York Review of Books* are the two well-known reviewing journals in English and other European language publications. But these sources restrict their coverage to only

books published in Western countries. The Book Review, New Delhi and the Hindu Literary Review, Chennai, are examples of some Indian reviewing journals. The Wednesday issue of the Hindu newspaper carries a list of new publications and two or three long reviews.

In addition to the above, most of the scholarly subject serials in various subject disciplines carry reviews of recent publications in their subject fields.

Book Review M. 1976-, New Delhi, Book Review Literary Trust

Biblio: Review of Books, BM. 1996-, New Delhi, Biblio Charitable Trust Times Literary Supplement W. London,

The Times Literary Supplement Ltd.

New York Review of Books. New York.

Directory of Serials:

Ulrich's International Periodical Directory, including Irregular Serials and Annuals, published by R.R.Bowker, is a well-known directory for serials published worldwide. The Press in India brought out by the Government of India may be used to select newspapers and other serials published in India.

Advertising Materials:

Publishers, to promote the sale of their publications, bring out advertising materials such as follows:

- Publishers Blurbs in the form of sheets containing details of a title and scholars' opinions about the titles.
- Advance notices for titles about to be published.
- Publishers Catalogues released annually contain brief descriptions of each title and serve as complete records of their publications. Such publicity materials are also released during book fairs.
- Publishers' websites are also a source for knowing an individual firm's complete range of publications.

But all the above tools are, at best, publicity material and should be used as selection tools with caution.

Selection Tools for Addition of Old Publications:

- a) Printed catalogues of older libraries,
- b) Standard subject bibliographies,
- c) Catalogues of book sellers selling second-hand books.

Printed Catalogues of Major Libraries:

The Library of Congress (US). National Union Catalogue. The catalogue was begun in 1901 in card form. Today it is one of the complete records of Western language publications available in the Library of Congress, including the collection of more than 1500 other American libraries that feed information to the NUC.

The British Library. The British Library General Catalogue of Printed Books. London, Bingley, 1980-87. 360 volumes.

Both catalogues are available online as well as on CD.

India, National Library. Author Catalogue of Printed Books in European Languages. Calcutta, The National Library, 1953. Ten v.

Electronic Databases:

Gale Directory of Databases. Farmington Hills MI: Gale Group. Often, suggestions for materials received from the user community lack complete bibliographical details. The absence of these details hampers checking their availability in the library and deciding about vendors for placing orders. Therefore, completing bibliographical details is essential with the help of appropriate sources. Tools for completing bibliographical details are a) books in print, b) printed catalogues of major libraries c) subject bibliographies.

Books in Print:

Books in Print. R.R . Bowker Co. Begun in 1880, the annual is now available in 9 printed volumes as well as on CD and online. The information included is author, editor, price, publisher, year of publication, some volumes, Library of Congress card number and International Standard Book Number.

Whitaker's Cumulative Book List. London: Whitaker, 1924.

Methods of acquisition:

Libraries acquire materials through a mix of methods available for the purpose:

- a) Acquisition through purchase order,
- b) Acquisition through membership,
- c) Acquisition under Exchange Arrangement,
- d) Acquisition through Gifts, and
- e) Acquisition under Deposit System.

Acquisition through Purchase Order:

A major part of library acquisition is done through publishers' or agents' purchases. The library may select books brought to the library by local book sellers. It may place orders for selected titles with local or foreign publishers/ suppliers. The library may place a standing order to send books to the library on a specified subject area as and when books become available. Acquisition by this method presents certain problems to libraries. Some problems are common to all libraries, but others are specific to Indian libraries.

Common Problems:

- a) Management of Financial Resources,
- b) Personnel for Selection of Resources,
- c) Acquisition Method for Purchasing Resources,
- d) Negotiation for Terms and Conditions of Supply and
- e) Problems Specific to Indian Libraries.

a) Management of Financial Resources

Libraries receive a fixed amount each year from the budgetary allocation of the parent body. This amount is mostly based on the previous year's expenditure, with some increase to provide for a likely price rise. An important function of the librarian is to keep an eye on the overall expenditure, as well as subject-wise or department-wise expenditure, to keep it within the allocated amount. The librarian often faces tough situations with individual departments or faculty members in this function. One way to get over such situations is to prepare a proposal for the book budget after consulting the departments about their information needs for the next year and put them before the parent body finalising the next year's budget year.

But the most important way is to follow a proper system of accounting. Its main purpose is to tell the authorities and the individual faculty member or governing body member that the expenditure is incurred as per the approved amount. The libraries generally keep the following records:

- General Invoice Register,
- Accounts Register (for each subject/department) and
- Monthly Statement of Expenditure

b) Personnel for Selection of Resources

Selection of resources in a given discipline is a highly skilled job which requires responsible persons having exposure in different areas such as follows:

- An exhaustive knowledge of the needs of the user community,
- An understanding of the world of scholarship,
- Acquaintance and knowledge about scholars in various disciplines,
- Capability to take decisions about the format (online, CD, microfilm) in which a particular document should be acquired,
- Nature of the publishing market and specialisations of publishers and
- Familiarity with the strengths and weaknesses of different selection tools such as reviewing journals, national bibliographies, trade journals, etc.

Because of the above, it has been found that the librarian plays a very proactive role in selecting documents.

c) Acquisition Method for Purchasing Resources

Libraries need to decide about one or more of the various systems available for purchasing resources. The following are some normally available systems:

- i) Open purchase,
- ii) Direct order to publishers,
- iii) Books on approval,
- iv) Order to a stockist/ jobber,

- v) Standing order to an agent/publisher,
- vi) Quotation Method/ Standing Vender Method
- vii) Consortium method and
- viii) Online Book seller/ Buying Books on the Web.

i) Open Purchase:

In case of open purchase, library staff, members of the book selection committee, and faculty members visit booksellers and make selections on the spot. Selected items are transferred to the library for checking and completing the process for invoice settlement. The method is simple, time-saving and satisfying to the user community. But it can be adopted fruitfully only in metropolitan cities where several stockists are available. It can also be used during book fairs when many publishers and stockists put their stock on display.

ii) Direct Order to Publishers:

The library may place orders for selected titles directly to the publishers. The method is credited with many advantages, such as:

Advantages of the Method:

- Saving on service charges (which are sometimes claimed if the order is placed with an agent/vendor),
- The speed with which supply is executed,
- Prompt replacement of defective or missing items in consignments,
- Negotiation for licensing terms, in the case of electronic sources, protects library interests,
- Advance payment, if made, remains in safer hands,
- Some publishers are reluctant to supply books through an agent and prefer direct dealing with libraries,
- E-service interruption can be resolved quickly,
- Back issues of the same e-series can be accessed on the same server as the current issues, and

- The publisher can provide user statistics for individual e-serials, which helps select serials.

Disadvantages of the Method:

But dealing with publishers directly is not without its disadvantages. The following are some disadvantages of the method identified by scholars:

- The library will have to maintain as many files as the publishers requiring more staff time in file work,
- Each e-resources firm having its search engine will make library staff learn their functioning as well as their vocabulary,
- Publishers deal with bulk orders for individual titles; orders for one or two copies may not be executed with a usual discount available through agents,
- Publishers are often not prompt in communicating reasons for delays in supply,
- Individual libraries are weak in negotiating terms for licenses for access to e-resources.

iii) Books on Approval:

The method of receiving books on approval for selection and purchase has been the most preferred way with most libraries. Libraries fix a day in a week or month when local stockists are allowed to bring new books to the library. Books are selected and retained, checking for duplicates and approval by the selection committee. Once these steps are over, the total cost of selected books is checked against the budget allocation for the subject. If funds are available to order selected items is confirmed. The method functions well with libraries in metropolitan cities where the concentration of several booksellers allows choice from many titles. These days, booksellers from major cities take large collections of books for selection, even to libraries in smaller cities. One major problem in the system is that selection can be made from only those books which booksellers select to bring to a library. Stockists/booksellers import only titles for which they consider there would be a wider market. They do not bring many important books for which they think there would be only a few buyers.

iv) Order through an Agent/Vendor:

Libraries acquire publications brought out by a fairly large number of publishers. Although in certain specific cases, it may be better to order through a publisher. But most of the libraries deal with agents for their requirements. Dealing with agents has many advantages.

Advantages of the Method:

- The foremost advantage is saving on correspondence, saving staff time and saving in file work,
- With better market knowledge they are efficient in executing rush orders,
- In case of serial subscription agents are preferred for their up-to-date information on likely changes in subscription rates,
- Many agents have been found to offer discounts for early payment,
- Agents are now participating in librarians' conferences to have a better understanding of library needs,
- Agents often send staff to the library to sort out any technical problems that might crop up in access to e-resources,
- Regarding serials in foreign languages, language specialists at the agent's office can handle foreign titles and communicate with the publisher library's problem in their language.

Disadvantages of the Method:

- Acquisition through agents is a preferred method for serials, and the disadvantages are also mostly in connection with serials receipt.
- In the case of serial subscriptions, agents follow the annual billing system at the old subscription rate. They raise supplementary bills if the subscription rates are revised. This creates budget adjustment problems.
- In case of a change of subscription agents, the library must communicate order number reference to publishers and inform them that it is only a change of agent and not a new order to ensure supply. Any delay in communication may result in a break in the supply of serials. Clarification is also necessary. Otherwise, publishers may ask to renegotiate licensing terms.
- In changing the agent, the library also loses usage statistics for the previous period, as the same was on the server of the old agent.
- Since serials are subscribed with advance payment, failure of an agent's firm may result in a huge financial loss to the library. To overcome the problem, libraries now enter into a written agreement with agents before making advance payments.

- Agents often fail to supply publications in non-English speaking areas such as Arab countries. In the case of learned societies' serials, agents demand handling charges.
- Any delay by an agent in forwarding the subscription amount to the publisher, the library may lose a few issues before supply begins.

v) Standing Order Method:

Research institution libraries and academic libraries often need complete or sizeable collections in a specific area or a branch of a discipline. To avoid missing anything in their special area, libraries place standing orders with a firm /firm to supply all publications on the subject of their interest as and when they are published. Such orders are open till they are cancelled. A similar policy is adopted in the case of publications under a series of books published in parts over time. But standing order, for books in a series of books published in parts, is limited to the period till all its parts have been published. Open standing orders require a complete description of the needs of the library and the type of publications required so that unwanted materials are not supplied.

vi) Quotation Method/ Standing vendor Method:

Under the method, libraries invite quotations from local suppliers for terms and conditions of supply and rate of commission /discount on the printed price of books. Generally, the quotation of the firm offering the highest discount is approved, and the firm is asked to supply the required books. If this arrangement is for the whole financial year, the method is called Standing Vendor Method. Alternatively, the library may go for a quotation each time it has prepared a list of its requirements and, after inviting a quotation, may place an order with the firm offering the most favourable terms for supply. Outwardly the methods seem to be in the interest of the library. But in a real sense, these do not help develop a collection fit for meeting the user community's needs. A clever bookseller gets the firm approved for supply by offering a higher discount. But such firms fail to supply titles of short discount or no discount. They also fail to supply titles published outside the English-speaking world or in regional languages.

vii) Consortium Method of Acquisition:

Acquisition of resources through a consortium, a form of resource sharing among libraries, emerged in the late 90s of the last century when subscribing to electronic serials became very expensive. Under consortium system libraries, subscribing to the same specks and titles in

the same field form a loose group called a consortium. This arrangement helps negotiate favourable terms in subscription rates and services from the electronic serial supplying firms. The participating libraries achieve saving in subscription rates. They also get the facility of accessing even those journals not subscribed to by them. Indian National Digital Library of Engineering Sciences and Technology (INDEST) is a consortium set up by the Ministry of Human Resource Development in India.

viii) On-Line Booksellers/ Buying Books on the Web

The digitisation of published books commercially has led to a new type of book dealer specialising in providing old publications. Amazon.Com is one of the most well-known firms in this category. Other firms include Barnes and Noble and Borders.

d) Negotiation for Terms and Conditions of Supply

Negotiating for terms and conditions of supply is an important job in acquisition work. The firm must agree to supply materials on time, in good condition and as per order for several copies. It must also be bound to replace the defective copy of a title. Among other things, terms and conditions of supply include i) trade discount on printed price, ii) payment method, and iii) price models for access to e-resources.

i) Trade discount: Suppliers usually provide a certain discount on the printed price of books. The rate of discount is often subject to negotiation. Some years back, there was a Good Offices Committee composed of librarians, suppliers' representatives and UGC and Ministry of Finance nominees, which recommended discount rates and conversion rates for foreign currency-priced books. Nowadays, each library has the freedom to settle these by mutual negotiation.

ii) Payment Methods: Payment methods are also a point for negotiation. Subscriptions to serials are generally paid in advance. Some suppliers insist on advance payment for supplying even books. Advance payment involves the risk of losing money if the firm goes out of business or takes an undue long time to execute orders. The library must ensure the credit worthiness of the supplier before making advance payment. Some libraries, therefore, enter into a written agreement to ensure that the firm does not default.

iii) Price Models for E-Resources: Negotiation on price /license fee for providing access to e-resources is another important point for negotiation. Since access to e-resources requires an understanding of the functioning of accompanying hardware/ software and technical support

and e-resources often have more than one pricing model, it is better if people with technical knowledge and some with legal backgrounds are also associated in negotiating the terms and conditions of access to e-resources.

e) Problems Specific to Indian Libraries

The above-discussed problems are generally faced by libraries all over the world. But there are certain problems specific to Indian libraries. These include:

i) location of the book market, ii) Foreign (Non-English) language publications, iii) Indian languages publications, iv) Serials subscription, and v) Government publications.

i) Location of Book Market: In India, the publishing industry is concentrated in a few metropolitan cities. Libraries in outlying areas depend on local jobbers who often fail to bring needed materials. Orders placed with major booksellers are not attended to promptly. Information about new publication reach late, and by the time orders are placed, titles get sold out.

ii) Foreign (Non-English) Language Publications: Indian book dealers have limited facilities for importing books from non-English language publishing. Academic libraries with facilities for area studies fail to provide enough materials for supporting teaching and research programmes for a lack of required resources.

iii) Serials Subscription: Indian libraries face problems selecting serials for their libraries as there is no up-to-date directory with complete details like those provided by the Ulrichs' directory.

iv) Indian Languages Publications: Publishers of books in Indian languages have not been able to publish enough books to support higher-level studies. Selection tools for Indian language publications on the pattern of the English language have not developed in the country.

v) Government Publications:

Acquisition through Membership:

Libraries receive publications through their membership in research organisations, academic bodies and professional associations. Membership to these bodies may be free, or it may require payment of an annual fee. As part of their mandate, these organisations bring out

publications and distribute them to their members. An important characteristic of such publications is that these are often not available in the open market.

Acquisition under Exchange Arrangement:

Libraries get publications under exchange arrangements with research organisations and universities instead of publications of their parent body. Mostly such exchange arrangements are for exchanging serial publications. Acquisition under exchange agreements between national libraries of two countries is also a very common feature. An exchange arrangement can be open where the two agreeing bodies exchange publications irrespective of the value of the publications. In other cases, an attempt is made to see that the value of publications exchanged equals the value of the publications received.

Acquisition through Gifts:

Acquisition of publications through a gift is a well-known source for libraries of all categories. The gift may be received without any request for it or in response to a request by the library. In most countries, libraries receive as gifts certain categories of central and state government publications as a matter of routine. Political parties and pressure groups also gift their publications to propagate their views and ideologies. International organisations such as Unesco, the World Bank, United Nations and its subordinate agencies send their publications as gifts regularly to academic and research libraries.

Families of eminent personalities gift their collection on their death to one or another library. On retirement from active life, even eminent scholars gift their collections to a library. Such collections are prominently displayed in libraries as separate collections with the donor's name. You will see such collections in the National Library of India, the Asiatic Society of India library, Kolkata and many academic and special libraries. Resources received as gifts often contain valuable materials not available in the library or the open market. Materials received as gifts also create problems for libraries. Sometimes gifts come with certain conditions which libraries find difficult to fulfil. Some gifted collections contain materials not relevant or out of the scope of the library. Such materials create space problems. It has been suggested that the library should have a clear policy about accepting materials offered as gifts.

Acquisition under Deposit System:

University libraries, research institution libraries and state-level and national-level public libraries are often selected as depository libraries for government publications. Some international organisations such as UNESCO, the World Bank, the ILO, etc., also make some libraries their depository library. The Jawaharlal Nehru University Library is a depository library for United Nations publications. Gokhale Institute of Economics and Politics is a depository library for World Bank publications. Often such materials are not relevant to the library's needs and create space and service problems. Their management is time-consuming. The library must keep assessing its use value and, where possible, weed out unwanted publications at regular intervals. Another type of deposit is a collection of private books and documents of well-known persons kept in a library and open to scholars for research only. The Sapru House (ICWA) Library has private papers of Jaya Prakash Narayan. The Nehru Memorial Museum and Library is famous for deposits of private papers of eminent politicians and social workers.

Review questions:

1. What do you know about the management of materials in libraries?
2. What is collection development in libraries?
3. Explain the selection acquisition.
4. What do you know about the library routines?

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UNIT – 5

PLANNING AND PLANNING STRATEGIES

Objectives:

- To briefly learn about planning and planning strategies.
- To learn in-depth about the concept and definition of planning.
- To gain knowledge on MBO planning.
- To get to learn about the steps in planning.
- To acquire knowledge in decision-making.

Introduction:

The role statement of a public library can be expressed as follows: "To make readily available to the greatest possible number of residents the most wanted library materials of all kinds and to serve as a point of access for any needed information". The prominence of public libraries gains acceptance as the years pass by. UNESCO came forward to publish the first public library manifesto in 1949, revised it in 1972, and the latest version is 1994. The manifesto states that the key missions, which relate to information, literacy, education and culture, should be at the-core of public library services. The manifesto urges public libraries to ensure access for citizens to all sorts of community information in addition to providing many openings to them. Public libraries must be properly planned and organised to serve the citizens by providing the required information. This is true in the case of both big and small libraries since the ultimate aim of all these libraries is one and the same. Big libraries like state and district-level public libraries have separate sections for acquisition, technical processing, maintenance, periodical, reference, circulation and so on, each manned by professionally qualified staff. At the same time, small village libraries, where a single man functions as a librarian, perform almost all functions assigned to separate sections in big libraries. Therefore, the planning, organisation and administration of all public libraries have a common element which may vary only in magnitude from the library to library. Planning is concerned with the future. As Koontz et al. (1980) put it, "Planning is deciding what to do, how to do it, when, and who is to do it. Planning may also bridge the gap from where we are to where we want to go. It makes it possible for things to occur which would not otherwise happen. Although the exact future can seldom be predicted, and factors beyond control may interfere with/the best-laid plans unless there is planning events are left to chance: planning is

an intellectually demanding process, and it requires the conscious determination of courses of action and the basing of decisions on purpose, knowledge and considered estimates." It is essential in planning that the library professionals look forward to the future needs of ~their' clientele and not backward to how they have traditionally served the users.

Need for Planning:

It may be emphasized that without planning, most libraries and information centres will remain poorly organised and ill-equipped to meet the objectives of their services to users. Planning gives proper direction to growth and complexity. Since planning enables the librarian

Help to take appropriate decisions in advance. The need for taking ad hoc decisions is minimised. It also helps in properly streamlining the services.

In short, planning libraries can be said to have the following advantages:

- 1) Planning helps to move towards the achievement of the goals of the systematically
- 2) It helps identify and differentiate the library's necessary priority actions.
- 3) Planning helps concentrated and cohesive action by a group of people towards achieving the ultimate goals of an institution.
- 4) Planning helps re-checking error-identifying and re-modifying due to unforeseen circumstances at any stage in the course of action.
- 5) Planning helps in clear determination and allocation of activities among a group of people and effectively controlling the course of action of different people towards achieving the goals.
- 6) Planning helps to draft a financially elastic budget. A good plan can readjust itself to slicing or enhancing financial resources.
- 7) Planning provides an integrated and analytical projection of a future course of the library.

Steps involved in planning:

Planning may be discussed under two steps: pre-planning and planning proper.

Pre-planning:

As the very term reveals, pre-planning means setting the shape for proper planning activities. The librarian who draws up a scheme for planning should have a clear picture of the situation prevailing in the library's jurisdiction. The types of clientele, their needs, potential readers and their requirement for available resources must be ascertained first. A user survey is conducted in many places as the first step for planning. Various types of surveys are in practice, and the library should select an appropriate method: 'The survey results should reveal the types of jobs of the local people such as farming, industry, business etc. their social and educational status, rate of literacy reading habits and so on. It must also give an idea about the student community of the area, and their actual requirements, Students who are undergoing distance education programmes, should be supported by public libraries. If the area is a cluster of schools, colleges and other private educational institutions, the resources and services of the public libraries in the locality should be streamlined to suit the requirements of the students. Farm workers, weavers, carpenters, fishermen, industrial workers and other special groups should get their materials from the library. The librarian should be fully aware of the community's social structure around the library activities of women and children resource persons who can be used to organise various types or extension activities in the library. Gathering this knowledge is the pre-planning activity which is inevitable for proper planning.

Planning Proper:

Planning properly is always based on the information gathered during Preplanning. This part of the activity can be discussed under different areas of planning.

Physical Planning:

Physical planning includes planning the building and layout of various sections. Arrangement of furniture and equipment and other physical infrastructure, The large variety of functions carried out in a library will determine the layout location, layout floor space, interior decoration, and the furniture and equipment of each integral part or department. The librarian has an important role to play in the planning of library buildings. He should work closely with the building committee in preparing specifications and should pay particular attention to such matters as the functions of the various rooms, the relationships among them, the possible use of the building and its supervision, and the flexibility of its interior. Provisions for future expansion, and soon. He has to work with the architect while preparing the plan for the building. Selection of the site is important for a library building.

In some cases, there may not be any choice in the selection of the site. The site might have been selected long ago, and there may not be any further chance for a new selection. However, the site for the library building must fulfil the following norms:

- a) The place should be easily accessible to the community in the surrounding area.
- b) As per Dr Ranganathan's fifth law of library science, the library is a growing organism; there should be enough space around it for further expansion.
- c) A library should be located away from noisy areas since a calm and quiet environment is required to use the library effectively.

In short, easy accessibility, central location, the quietness of the surroundings and scope for expansion are the points to be considered while selecting the site. But, very often, they may appear quite contradictory to each other. With this consideration about the site, let us think about the planning of the library building. It is essential to estimate the area of the library building required at a given future date and relate the requirements to that date. There are different types of libraries in the public library sector, viz., state central libraries, district central libraries, central city libraries, taluk libraries, branch/village libraries etc. The size of the library building is determined based on the type of library mentioned above. The basic principle of designing a library building is, first of all, to choose between monumental versus functional buildings. Preference is-always to be given to the functional building. Further, a public library building should be open-accessed. An open-access system building also serves as a secure access system, but the reverse is not true.

A library building, especially where open access is permitted, should adopt the following means:

- 1) Single entrance and exit should be provided for the public at the counter.
- 2) It should be ensured that there is no means for exchanging books between the readers in the entrance or exit gangway and those inside the library.
- 3) Doors and windows should be protected with wire fabrics for the safety of books/
- 4) The circulation within the building should be designed so that the readers are not distracted by the traffic and that the catalogue rooms and the stack rooms are within the closest reach possible from the counter. The seating of the readers in any reading room should be such that no reader is made to face the general or the main flow of traffic.

- 5) The height of a unit bookrack should be such that the books on the topmost shelves can be easily picked out by a person of normal height standing on the floor. Similarly, on the books are to be picked up by children, the height should be kept within their reach easily.
- 6) Each window in the stack room should have the maximum possible area to admit the maximum possible natural light and the cross gangway facing it.
- 7) Each window in a reading room should be so placed as to throw silent light on the reading table from the left and back of the readers sitting in a line at right angles.
- 8) The design should conform to the principles of modular construction, co-ordination, dry construction, Standardization, and simplification of the elements of a library building, its fittings and furniture. The basic dimensions should be in multiples or sub-multiples of 10 cm modules.

Planning of Documentary Resources:

A public library is an instrument which provides the opportunity for perpetual self-development _ and extension of knowledge to the community. Ranganathan's second law of library science, viz, 'every reader his/her book' expects the public library to take into consideration every kind of reader, irrespective of age: sex, vocation, financial position; willingness to read etc. It also expects the library to inform itself of the subject interest of its readers. As the community's requirements are widely varied, it should acquire basic books on nearly all the major occupations of its actual and potential readers and a standard suited to most readers in the locality. A public library should maintain the following representative collection of books:

- 1) -Books on recreation and light reading.
- 2) Home management, hygiene, child nutrition, cooking, maternity, dietetics and child welfare.
- 3) Biographic and travel books.
- 4) Books on fine arts, religion and philosophy
- 5) Reference books and books on current information
- 6). Books of great 'authors and classics
- 7) Story books and fiction

8) Books for a special type of readers

Public libraries in developing countries have a special responsibility towards literates and neo-literates; experience shows that neo-literate easily lapse into illiteracy unless they are provided with reading materials regularly. Document resource in the library consists of both book and non-book materials. These materials are received in libraries through various sources, viz. purchase, donation exchange etc. It may not be possible to fix norms for the receipt of books through donation and exchange. But there are approved procedures for purchasing books and other reading materials. Book reviews in leading newspapers and periodicals, requests from readers, trade catalogues, etc., can be used to select books. The librarian will make a preliminary selection, and a list of books with necessary bibliographical details will be prepared. Every library must have a book selection committee consisting of representatives from the academic field, literary field and the library authorities.

For convenience, the librarian generally functions as the convener of the committee. The list prepared by the librarian should be placed before the committee, which shall make a final procurement decision. Books are then purchased through trade channels, entered in the accession register after proper checking, subjected to technical processing and added to the existing collection. Collection building is to be done with the utmost care since the essential requirement of a library is its documentary resources. It should plan to procure a rich collection of reference materials to satisfy the reference queries of the clientele. The library committee should consider the special information requirements of the region where the library is situated and prepare a list of appropriate reference tools besides the standard dictionaries, encyclopaedias, yearbooks, directories, gazetteers and the like.

Distance education is getting prominence as years pass by, and it becomes the obligation of public libraries to provide reading materials to the students who resort to such type of education. Books of academic nature on various subjects should find a place in the collection of public libraries. In addition to the popular magazines and periodicals of general type, subject periodicals also should be subscribed to. Procurement policy cannot be generalised because the requirements of the clientele vary from place to place. However, the categories of documents required for public libraries, in general, are more or less similar. In 1867, the Government of India enacted the 'Press and Registration of Books Act XXV', under which the printer of a book was supposed to deliver free to the provincial government concerned, one copy of the book and one or two more copies if the provincial government so desired.

The additional copies were to be transmitted to the central government. Usually, the state central libraries of almost all states receive books under this law. Therefore, the collection building of state central libraries is very much helped by the Press and Registration of Books Act. In the case of other public libraries, by and large, finance is a problem for the procurement of books. Assistance provided by the Raja Ram Mohan Roy Library Foundation to the voluntary organizations providing public library service is utilised for purchasing books by a large number of public libraries throughout the country. The Foundation helps build up public library stock at the district level and above by supplying books directly.

Non-book Materials:

Non-print materials are generally called non-book materials. Harrods's Librarian's Glossary refers the non-book materials as 'those library materials which do not come within the definition of a book, periodical or pamphlet and which requires special 'handling, e.g., audio-visual materials, vertical file materials, micro forms or computer software'. The documents are also available now in floppies, CD-ROMS, etc. Items coming under non-book materials gain importance over print media as years pass because of their various advantages, such as saving storage space, comparatively inexpensive nature, etc. The appearance of video cassettes, Video discs, and CD-ROMS was a boon to many small libraries, which are not having enough space to show films to their clientele.

There are many problems with the acquisition of non-book materials. Lack of bibliographic control, absence of comprehensive selection tools, the inadequacy of well-established trade channels, compatibility with the equipment, selection problems, etc., are some of the major issues. The library must adopt a wise plan to procure books and non-book materials.

Planning of Library Services:

The variety and quality of services rendered by a public library to its clientele are generally considered an index of its popularity among the public. Planning services are, therefore, a task demanding serious consideration. The usual types of services provided in public libraries are:

- 1) Issue and return of documents
- 2) Inter-library loan
- 3) Personalised service to the readers

- 4) Bibliographic services
- S) Extension services
- 6) Readers' advisory service
- 7) Document delivery services
- 8) Translation services

No library can procure and keep all the materials required by its clientele. If some materials required by readers are not available in a library, then the same may have to be procured from some other library through an inter-library loan. Computerization and networking of libraries have made inter-library loan arrangements easy and practicable; assistance given by the library staff to the readers in searching for their required documents comes under personalised service. Even though a well-maintained library catalogue and classified arrangement of books are provided, the readers may sometimes seek the staff's assistance with various information requirements. Personalised services become essential on such occasions. Bibliographies may be compiled on demand or in anticipation. Bibliographies can help provide a reader's advisory service, which is concerned, with guiding individuals in the selection of documents for study. . Services offered to illiterate persons, neo-literates, and various kinds of extension services are other major activities to be undertaken by public libraries. While planning library services, care should be taken to put qualified and suitable persons in a chance to provide different library services.

Financial Planning:

Without finance, no library can function. Therefore financial planning is very important for libraries. The general concept of a public library is that it should serve the clientele free of cost. But it is generally observed that the funds set apart by the state governments are insufficient to organise good library service to the public free of cost. It is, therefore, inevitable to have proper planning to generate funds for the functioning of libraries.

The main sources of public library revenue are given below:

- 1) Subscription from the members
- 2) Endowments and private benefactions
- 3) Library cess

- 4) Government grants
- 5) Gifts
- 6) Fees and fines
- 7) Library tax/rates'
- 8) Sale of publications
- 9) Income from reprographic service, translation service, a compilation of bibliographies etc.

Dr Ranganathan was not in favour of collecting subscriptions from readers as he felt it would discourage the already unwilling readers from registering themselves as library members. As the income expected from various sources, including government grants, is found insufficient, most of the public libraries in India collect subscriptions from members. The central or state governments levy library tax, whereas a local authority levies library tax. House tax or property tax is the basis for library cess/tax in the States of Kerala, Tamil Nadu, Andhra Pradesh, etc., where library legislation was enacted. 'Per capita method', 'Proportional method' or Method of details calculates the amount of finance needed for library service. In the per capita method, a minimum amount per head of population is fixed, keeping the requirements for standard library service. In the method of details, all expenditure items are accounted for when preparing the library's financial estimates. The proportional method lists the norms based on the total budget. Usually, library finance is worked out based on the state's educational budget. However, a proper plan must be prepared in advance, and many factors likely to affect the economy in the future must be considered.

Planning of Human Resources:

The library is a trinity of books, staff and readers. Library personnel act as an inter-phase between books and readers. The vitality of life in a library depends on the vitality of the human resource available in the library. In the olden days, human resources were inevitable when the library's activities were controlled manually. Today, even after the introduction of computers and other machinery, the prominence of human resources is very well accepted in the field. A library requires professional librarians, semi-professionals and non-professionals. The type of personnel required in each section depends on the services provided. When planning the activities of a library, the library authority must have a clear idea about the human resources required to carry out the services the library is expected to render.

The steps involved in manpower management are the following:

- 1) Job analysis
- 2) Job description
- 3) Job classification
- 4) Staffing pattern
- 5) Recruitment and selection
- 6) Induction and deployment
- 7) Training (continuing education)

Job analysis is the first and foremost function of personnel management. It involves analysing the content of each job to be performed in an institution. Job analysis finds out what is to be done and determines the best method of doing it and the qualifications required of a worker to do the job satisfactorily. The number of staff members in a public library should be sufficient to provide consistently efficient service at all hours when the library is open to the public and to perform the duties involved in assembling, organizing and interpreting the materials required by the library's programme. The size of the staff for any given library or library system must be based upon the programme adopted by the library, the population and size of the service area, the financial support and, more specifically, the number of departments, branches and other organized units, the amount of circulation and reference service, the plans of the library buildings, and other factors. At all hours when the library is open, professional staff members should be in charge of public services requiring professional preparation and skill; based on the above, Dr Ranganathan devised a formula for staff of different library sections. The recruitment and selection procedure by conducting various tests and interviews, placement of the staff, their preliminary training, subsequent refresher training, wages and salary, promotion of the staff, etc., must be based on specific norms fixed at the planning time. Different agencies put forward the performance standards for the ministry of finance. Government of India, ORDO. Etc., help decide the number of staff required. But all of them are prepared in the context of manually operated libraries. New standards must be worked out in the context of automated libraries. Till then, we have to depend on guesstimates.

Decision making:

When a manager takes a decision, the purpose is to increase either the efficiency or the effectiveness of the existing operation or increase both efficiency and effectiveness; Efficiency is the best way of performing a task. Formally, efficiency is defined as the ratio of output to input. The more output that can be obtained from a given input, the more efficient the utilization of the input. While efficient refers to the right or best way of doing a particular task, effectiveness is concerned with doing the right task. However efficiently a manager may perform his tasks, if the choice of tasks itself is not right, his efficiency is certainly not helping his organization. A sales manager is very efficient in managing the time of his sales force and ensures that each salesperson makes at least six to seven sales calls daily. But wrong identification of potential customers makes the salesman's calls ineffective as no sale is made.

The manager's concern should always be to increase his effectiveness and that of the entire organization. An organization which concentrates on doing the right tasks, i.e. its focus is on effectiveness, will surely survive and grow even if it performs the tasks in a somewhat less efficient manner. But a firm whose choice of tasks is wrong will certainly fail no matter how high its efficiency is. Management by Objectives (MBO) is a tool by which managers can improve their performance and increase their effectiveness.

Organization of the library:

The library should be properly organized to achieve the objectives at the planning stage. Library organization and administration are related so closely that a clear-cut distinction between them becomes difficult. But on close analysis, we will realize that the first is concerned with laying down theoretical principles, whereas the other puts those principles into practice.

"Organization implies a structure of authority which requires a single directing executive authority and many workers." In setting up such an organization, one must

- 1) Define the objectives of the organization very clearly,
- 2) Elect the leaders or directors of the enterprise who lay down the general policy of the enterprise in terms of the objectives,
- 3) Nominate the managing director or chief librarian whose task is to see that the objectives are realized,

4) Determine the nature of the whole organizational framework, the number of specialized work units into which the task will have to be divided and the number of workers, as well as the various category of workers required: and

5) Establish and perfect the structure of authority between the managing director and the various work departments.”

As far as planning the organization of a public library is concerned, the first point to be considered is whether to have a centralized or decentralized setup. The moot point here is whether to have a central library alone or different branch libraries or service points. Even though centralization and decentralization are the two extremes of an organizational continuum, neither is present in its purest form. There are equally strong arguments in favour of and against each set up. The safest course is to consider the clientele and type of services to be rendered and plan the library accordingly.

The second point in planning the organizational pattern is whether to follow a functional pattern or subject departmentalization. A functional pattern of organization is the organization of the library into different sections based on functions like acquisition, technical processing, etc. The second pattern is more seen in academic and special libraries. The functional pattern is ideal for public libraries. Now, let us examine the different sections followed in a functional pattern.

Management by objectives (MBO):

Evolution of MBO:

The term MBO was coined by Peter Drucker more than 25 years ago. Drucker used the term in a very broad sense to connote not just a specific tool but rather an approach or philosophy of management. Later contributors to the subject have focused on MBO to improving either an individual's performance in the context of a superior-subordinate relationship or the entire organization. In the United States, the name most associated with MBO is that of George Odiorne. He stresses the superior-subordinate relationship and propounds MBO as a "guide for operating the unit and assessing the contribution of each of its members". John Humble of U.K. visualizes MBO as a "system which integrates the company's need to achieve its goals with the manager's need to contribute and develop himself" and consequently places greater emphasis on corporate planning.

Need for MBO:

At this point, you may ask, "Why do we need MBO?" Why should an organization which has been performing well all these years now turn its attention to MBO and go through all the problems involved with its introduction? The answer to this lies in the very nature of an organization which tends to draw attention away from, rather than towards, the common organizational goals. Specifically, four factors are inherent in each organisation, which are barriers towards achieving the organizational goals. These are the specialization of work, misdirection of effort by the boss: hierarchical management structures, and misdirection by compensation. Thus, unifying individuals' efforts towards achieving corporate goals are necessary. MBO provides this unifying force

Today's technological sophistication requires specialized knowledge, specialized skills and specialized workers. In their quest for perfection within the narrow confines of their specialized function, the danger is that these specialised workers often lose sight of the organizational goals. They forget they are working for an organization and that their specialized function has to operate within specified parameters. MBO helps to mesh together the various functional specialists for the achievement of the firm's overall objectives.

The compensation and appraisal system tends to act as a deterrent towards achieving organizational goals. This is because there is a tendency for people to 'please the boss' even in the most objectively designed appraisal system. People tend to take even the most casual observation or remark of the boss seriously and work to please him because they know that the boss plays an important role in their promotion. And organizational goals are relegated to the back seat. MBO brings in greater objectivity with its emphasis on results.

In every organization, there are various hierarchical levels of management. Each level has its vision and set of narrow objectives to fulfil. Often these levels are insulated from each other. This creates barriers towards harmonious working together to achieve organizational goals. For instance, the machine operator would like to maximize his production and minimize the number of rejects, and his interest is limited to the machine he operates. The shop floor supervisor is concerned with all the machines and is interested in maximizing the total output with maximum utilization of various inputs. In achieving this objective, the supervisor may like to minimize the operation of an inefficient machine. However, the operator of that particular machine would not like that. This conflicting pressure can be avoided if there is agreement about the overall organizational goals that must be achieved.

Finally, the compensation system can often create situations in which people work towards maximization of their compensation, often to the detriment of achieving the organizational goals. If the machine operator's compensation is tied to the output he produces on the machine; he would like to produce the maximum' numbers, disregarding the factor of inefficiency, wastage rejects, etc. Similarly, a salesperson would like to book maximum orders irrespective of whether the payment is made promptly. But at the organizational level, the concern is not only with output and orders booked but equally with the costs incurred and realization of payments. Only when 'objectives are specified for each person, drawn from and contributing towards the organizational goals, with emphasis on team work, can these forces of separatism be minimized.

Definition and concept:

For our purpose, we shall define MBO as an approach that uses objectives as a focal point to improve managerial performance and effectiveness, both at the individual and the organizational level. These objectives serve to guide, direct, review and measure performance. However, MBO should not be considered merely a performance appraisal tool. It is a far more comprehensive mechanism and provides a framework for organizational and managerial decisions. In the MBO approach, while the objectives provide the focal point, the emphasis is on improving performance and providing better results. MBO is concerned with achieving the objectives and the process by which they are achieved. The objectives will necessarily vary with the managerial level at which they are set. Objectives at the managing director's level will differ from those of a branch manager or the production manager. However, all these objectives are derived from the organization's overall objectives and, in turn, are linked to the corporate plan. The fact that MBO allows for distant, intangible organizational -

Objectives to be converted into achievable, personalized objectives (for each level of management) are the reason for its success and popularity. The key concepts in MBO emphasise results than activities, objectives for specific managerial positions, participatory or joint objective setting, identification of key result areas and establishing a periodic review system.

Emphasis on results rather than activities:

The basic feature of every MBO is the emphasis on results rather than activities. Activities, **per se**, are never important. Their importance lies in the fact that they lead to results. If an

activity produces no results, it may just as well be dropped, for it is only consuming time and resources with no output. In MBO, the starting point is identifying important results for the organization and then working backwards to see which activities can lead to these results. George Morrissey has identified "management by activities or reactions" and "management by objectives and results" as the two theoretical extremes. Traditionally, management was characterized by activities. Even today, you may find this happening in many cases. For instance, most job descriptions are spelt out in activities, such as travelling, meeting people, corresponding, etc., rather than results. This disproportionate focus on activities leads to a situation where all managers are very busy but cannot achieve significant results. Shifting from an activity-oriented to a result-oriented management system is not always easy. Engaging in activities gives a lot of satisfaction to most people even when they know that its result contribution is very low.

The more visible the activity, such as preparing graphs, charts, etc., the greater the satisfaction. People derive satisfaction from engaging in activities because sometimes the gap between activities and results may be so long and uncertain that keeping a constant focus on results may be very difficult. Urgent, pressing problems arising from crises or the need to meet deadlines, such as drawing up of balance sheet by the end of the financial year, require immediate activity, which is unavoidable. However, if the manager keeps in mind the results for which he is accountable, he can change his working style towards result achievement.

Objectives for specific managerial positions:

In the context of MBO, objectives are defined as expected results. An objective must be specified for every managerial position at each level of the managerial hierarchy. Objectives are set for specific managerial positions and not for the individuals who occupy these positions. Irrespective of whether it is Mr K.D. Das or Mr R. Venkat, the manager of the after-sales service, the objective of the managerial position, will remain the same. It is important to specify objectives according to managerial positions to ensure the continuity of effort in achieving organizational objectives. The only exception *to* this is in the case of top management. When a company changes hands or a new managing director is appointed, he may likely like to modify or even totally change some of the existing corporate objectives and provide a new direction to the organization. In such a situation, objectives for all the managers may have to be modified or changed.

There are three distinct levels of management in every organization. These are top management, middle management and active management. Objectives must be specified for each level of management. At the top management level, the objectives are referred to as corporate objectives, providing the general direction for the entire organization. Since their scope extends to the entire firm, corporate objectives necessarily encompass five to ten years. Predictions of future events can never be made with complete certainty; therefore, the corporate objectives are specified more in general rather than very specific terms. Corporate objectives are externally oriented as they are derived from the external environment in which the firm operates. This environment comprises economic, technical, legal, social, cultural, political and demographic factors, consumer tastes, attitudes, competition, etc. Thus a company manufacturing mopeds may well define its corporate objective as satisfying the short-distance transportation needs of middle-income classes.

The corporate objective must be divided into more specific objectives to become practical and workable for middle management. Managers of functional divisions and geographical territories represent the middle management. In the case of the moped company, the objective at the middle level, i.e. marketing manager, maybe to achieve a sales figure of 85,000 mopeds per year by March 1988, and 60 per cent of this sales is to be achieved in the southern region since the company is located in Bangalore.

Area sales managers, shop-floor production managers, and managers of inventory control are all representative of the operational management level. Objectives at the operational level are concerned with the short-term, such as sales per month, production level per machine, etc. Operating level objectives are derived from the objectives of the middle management level, which in turn are derived from the corporate objectives. Objectives at different levels and in different functional areas are linked. To reach the sales figure of 85,000 units, production must also be set at 86,000 units (allowing 1000 for defective and rejects). Apart from this hierarchy of objectives and their linking with each other, there is also the need to rank them in order of importance. The more important objectives must be fulfilled before moving on to the next most important ones. This is necessary because the resources and time at the organisation's disposal are limited and simultaneous fulfilment of all objectives is impossible. To be workable, objectives must be measurable in specific terms such as quantity, time, cost and quality. An objective that states improving quality is not useful because it does not specify up to what level, by what time, and at what cost. In such vaguely stated objectives, it is impossible to measure their attainment. To be achievable, objectives must be set

realistically, considering all the existing situation's strengths and weaknesses. Objectives set at an unrealistically high level will only frustrate the people for whom they are set. Similarly, objectives which are set too low are also not desirable.

Participatory or joint objective setting:

We have seen that all operational objectives are derived from the corporate objectives by breaking them into smaller workable and specific functional area objectives. In an organization practising MBO, these objectives are set by the concerned managers in consultation with their superiors. The emphasis is on the participation of the concerned manager himself. The participation process allows the manager to influence those objectives and decisions against which his performance will be measured. This participation ensures that the objectives are realistic since the manager is in direct contact with the market, labour, production facilities, etc. and knows the true situation. Since the objectives are realistic and agreed upon with the concerned manager, their chance of being attained is also higher.

Identification of key result areas:

Every managerial position has associated with it certain results or outputs. However, achieving only a few result areas is critical to the organization's success, and these are known as key result areas. For instance, the various result areas for a production manager may include quality, quantity, adherence to delivery schedules, rejects, wastage, inventory, labour costs, material costs, machine downtime, etc. Depending on the nature of his organization and industry, the production manager will identify his key result areas. In an industry where the raw material and machinery are the major cost contributors, the manager's key result areas may be raw material cost, wastage and machinery utilization. On the other hand, in an industry like television set manufacturing, where the assembly is the major operation, labour costs, critical component costs, and quantity may be the key result areas.

Similarly, the key result areas can be identified in other functional areas. These may be related to sales, new markets, customers, marketing research, distribution, pricing policy, media advertisements, local sales promotion plans, etc. Just as key result areas (KRAs) can be identified for different functional areas, these can also be identified at the organizational level. For instance, Modi Xerox, a company engaged in manufacturing and marketing photocopiers, views itself primarily as a service organization and emphasizes the after-sales service aspect.

In contrast, other companies may view their business as mainly manufacturing. While service is one of the important key result areas for Modi Xerox, it may not be so for its competitors. There are KRAs common to all business organizations and all managerial positions, irrespective of the functional area or industry. Peter Drucker has identified eight such KRAs common to all firms. These are profitability, market standing, innovation, productivity, worker performance, financial and physical resources, managers' performance and development, and public responsibility.

W.J. Reddin has identified five KRAs which are common to all managerial positions. Subordinate development, innovation, project implementation, organizational development and systems implementation. In 1978-79, Madura Coats, a company engaged in manufacturing and marketing a variety of threads and yarns, identified various KRAs as financial resources, profitability, and disorganisation development. In the same year, Gujarat Industrial Development Corporation, a state government: agency for encouraging and assisting industrial development, had identified its RAs as capacity utilization, cost reduction, resource mobilization, organization development, customer service, infrastructure planning and development, diversification, corporate image and rural industrial infrastructure. Identifying key result areas helps the manager and the organization focus its scarce resources on those activities that contribute to the critical results. Focusing is important because, in most cases, all managerial activities do not equally contribute to results. During an average day, a manager may indulge in several activities such as meeting people, sorting out employee grievances, planning for products to be launched next year, reviewing last month's expense sheet, etc. While sorting out personal grievances and meeting unexpected visitors may be unavoidable and urgent, activities such as future planning are important and contribute to results. Key result area can be identified by asking the simple question: what is the unique contribution of my job or the organization? The answer to this question will provide the clue to identifying the key result areas. Once identified, these KRAs may remain unchanged for several years. These may change when the scope of the managerial position or organization is changed or if a subordinate has been developed to take over an existing KRA so that it is no longer in the purview of the manager's responsibility. As with objectives, the KRAs at the corporate level are more durable than those at the middle and operating management levels.

Establishment of Periodic Review System:

An important feature of every MBO is the periodic review system. The review may be held at intervals of every three, six or twelve months. The purpose is to review the performance against the objectives. Also, the validity of continuing with the pre-established objectives may be reviewed.' An organization that follows the MBO approach but has no review system only pays lip service to MBO without actually practising it. Objectives are useful only if they can initiate action, and the review system is a way to ensure that the action in the desired direction is being taken and is yielding the desired results. The review system thus provides a mechanism for both measuring and controlling.

MBO should not be confused with a performance appraisal system. Many elements are common to both, but MBO is wider in concept and application than a performance appraisal system. Without going into too many details, it would be useful to point out one major difference between them. In performance appraisal, the emphasis is on simply reviewing the past, while MBO focuses on initiating future corrective action. Though MBO may also be used for performance appraisal, you must remember that this is not its main purpose. The purpose of MBO is to improve managerial performance and effectiveness.

The MBO process:

There are three steps involved in the MBO process. These are setting objectives in each key result area, action planning, and performance review.

Setting Objectives:

Key result areas are usually more durable than objectives. While KRAs delineate the ' broad areas within which the organization must **focus** its attention, the objectives represent the specific results expected to be achieved within these KRAs.

Thus the first step is to identify the KRAs and pin responsibility for results with specific managerial positions. Making people responsible for KRAs is critical for translating MBO theory into practice. KRAs and the persons responsible must be identified at the level of the entire organization and each functional area.

Having identified KRAs, the next step is to set objectives within them. At the organizational level, these will be the corporate objectives. Corporate objectives define the purpose and mission of the organization and can be described by seeking to answer the question, 'what is our business? Following the corporate objectives are the long and short-term strategic objectives. Five to ten years is the usual time horizon for long-range plans, while anything

between three to five years describes the short-range. Strategic objectives spell out those objectives related to product choice, market and technology. These are the unit-level objectives in which an organization consists of several business units.

Action Planning:

Planning enables the objectives to be turned into reality. If objectives describe the 'what', plans describe the 'how' or how the objectives are to be achieved. Managers are paid to achieve certain objectives. The objectives can be achieved only if the manager converts them into specific action plans spelling out the various steps or activities and the specific time they must be performed. There are four broad steps involved in every action plan:

- Choosing strategies which are appropriate to the objectives
- Assigning responsibility for achieving the objectives
- Allocating resources for achieving the objectives
- Scheduling specific activities to achieve maximum utilization of resources.

Activities form the basis of every plan. Activity refers to the thing or series of acts which have to be done to achieve the objective. Further, these activities have to be arranged sequentially in the most logical manner, and a time frame has to be specified for the completion of each activity. This is known as scheduling. Only when this has been done can the plans get converted into 'action' plans. There are many techniques which are extremely useful in planning. The more common ones are Activity Networks, Decision Trees, Milestone Charts, Program Evaluation and Review Technique (PERT), and Critical Path Method (CPM). Depending on the specifics of your plan, you can use the appropriate technique to make them more useful. In MBO, objectives are set for the organization, the unit, and specific individuals. Therefore two kinds of plans are needed: for the team and individual. The reference point for a team or group plan may be the sales team or group of R & D engineers working on new product development or even the entire regional office striving as a team to achieve the objective of a specified sales figure.

Wherever objectives are specified for a group working together towards a common goal, a team plan is required. Within the team, individuals are assigned specific objectives for achieving and need individual or personal plans.

Performance Review:

Regular performance review is one of the main features of MBO. Without a review system, the MBO system cannot function. In the MBO process, the focus of the performance review is on the following:

- performance
- improvement
- future corrective action
- frequency of reviews
- self-appraisal

Based on these five elements, the performance review system of MBO is distinguished from other appraisal systems. In MBO, evaluating performance provides corrective feedback to the concerned person. An appraisal system may assess the individual's potential and compensation for career planning and identification of training and development needs. It also includes an appraisal of personality traits and not merely performance. Figure I presents a performance review system in an organization where the MBO approach is followed.

Ensuring successful implementation of MBO:

The MBO process seems simple, but to practice, it requires great analytical skill and clarity of purpose on the part of the management. MBO is not a managerial technique which can be introduced at a moment's notice. MBO involves people with fixed ideas, attitudes, values and perceptions, which can make the MBO implementation complex. The prerequisites of a successful MBO are:

- Evaluation
- Preparation
- Top management support
- Time horizon and
- Proper entry point

Evaluation

The first step is to evaluate what you expect from MBO. The most common mistake is that MBO is visualized very narrowly as just another appraisal system or as another way of

tackling the problem of writing job descriptions. Alternatively, it is visualized as a solution to all problems. This leads to unrealistic expectations from MBO. To avoid this, it is best to evaluate the existing organizational performance, culture, management style, and systems of planning, controlling and monitoring and then decide upon the specific needs MBO can fulfil.

It must be remembered that MBO is a powerful tool that can improve the entire organizational performance, provided there is clarity about the expected results.

Preparation:

The next step is to prepare the people for accepting MBO. Human nature always resists change. The best way to overcome this resistance is to disseminate full information about MBO and educate the concerned key people about its expected benefits. If possible, all the managers should be given formal training exposure to MBO. This preparation stage is critical as MBO can be successful only if people willingly accept and practice it.

Top Management Support:

For MBO to be successfully implemented, it must have top management's full backing and support. In the implementation process, there may be some redefining of objectives which may lead to jobs being redefined, restructured or even totally scrapped. This is bound to lead to conflicts and friction, and top management intervention may often be required to soothe disturbed emotions and find practical solutions. Top management needs to exhibit great patience, understanding, and perseverance to see the MBO through its teething stage

Time Horizon:

MBO means change which implies upheaval and disturbances. Just as some people can accept and adapt to change quicker than others, one organization's adaptability to change differs from that of another. Depending on its personality and attitude towards change (whether resistant or highly flexible), each organization has to decide upon the rate of change it can withstand. How quickly is MBO to be introduced and implemented in the organization? In phases or one go? In certain departments or all departments simultaneously? These are the issues best decided on the evaluation of specific characteristics. There can be no hard and fast rule except that sufficient time should be allowed to give MBO a fair trial.

Entry Point:

If MBO is introduced in phases, the top management level is the best point for beginning its implementation. But the top management must be serious about it and not merely profess to practice without actually doing so. Starting at the top can set an example for the rest of the people and the relatively small number of people involved.

The benefits accruing from MBO can be discussed in terms of the specific benefits to the subordinate, the superior and the organization:

i) Benefits to subordinates include greater role clarity, performance measurement and increased job satisfaction. When specific objectives have been agreed upon, the subordinate knows exactly what to achieve and can plan his various activities. Role and goal clarity ensure there is no wastage of scarce organizational resources on the one hand and single-minded dedication to achieving objectives on the other.

MBO implies regular feedback and measurement of performance against objectives. This is a great motivating factor for people to put in their best effort to achieve the objectives. It also helps to weed out the non-performer and identify the real contributors. Clear, specific objectives and unbiased feedback about performance contribute to increased job satisfaction when a person does not know what is expected of him and how his performance will be judged. Job satisfaction emanates from the feelings of having done a job well to the best of your capability and public recognition and approval for it. The former is possible only when there are specific objectives, while the latter can occur only if there is a review and reward system. A worker or manager who derives satisfaction from his job will work harder to improve his performance, while a dissatisfied, discontented manager will make a negative contribution. Thus, MBO can bring about a change and put people on the self-propelling cycle of role clarity, increased job satisfaction and productivity.

ii) Benefits to Superiors: The benefits accruing to the subordinate will also accrue to the superiors. But besides these, the other specific benefits for superiors are that MBO motivates subordinates, strengthens superior-subordinate relationships, and provides an objective appraisal method.

MBO is based on the concept of participation, and this leads to greater motivation. Setting objectives implies that the superior and the subordinate have to sit across the table and openly discuss their respective roles, work, obstacles and competencies. The such candid discussion always leads to increased mutual trust and confidence in each other and provides an enduring bond to the relationship.

One of the biggest advantages of MBO is that it provides an objective basis for reviewing performance based on achievements rather than personality traits. Reviewing a person based on his personality not only puts him on the defensive but serves no purpose from the organization's point of view. The only thing that matters is results. Organizations retain people to produce results and not because they are friendly, soft-spoken, introverted or possess any other personality characteristic that has no bearing on their competence or capability.

Benefits to the organization:

MBO focuses on managerial effectiveness as a central value in the entire organization. And this emphasis permeates down to the lowest level, influencing each manager and worker. This shows up in every manager's decisions, and the organisation's overall performance is improved.

Secondly, MBO, focusing on objectives, improves concentration and coordination of managerial effort. There is maximum utilization of resources, and conflicting pulls in opposite directions are avoided. Thirdly, the periodic review in MBO helps identify the advancement potential of workers and managers. It also helps identify workers who are under-utilized or not contributing fully. Lastly, MBO creates many centres of accountability against one centralized accountability point. It is not only the managing director or proprietor who is accountable for producing the desired results, but each manager is responsible for achieving the agreed-upon objectives. Thus MBO leads to greater decentralization in terms of setting and achieving objectives.

Some limitations:

In practical implementation, you could sometimes encounter one or more of the following limitations of MBO. Problems in a joint objective setting among unequal. MBO implies a process of point or consultative objective setting between the superior and the subordinate. But this very relationship, based upon status, may prove to be a hindrance in free, frank and open communication between the two and stall the process of setting goals objectively;

Problems of MBO being effective at the lowest level. Theoretically, MBO is supposed to percolate throughout the organization down to the lowest level since the manager, and the worker at each level have set their agreed-upon objectives. However, in reality, the workers or managers at the lower levels often do not have the full freedom to set their objectives. This

is because MBO operates from top to down, starting with the corporate objectives. Thus, the objective setting process implies that the objectives at the lower level have already been locked in, and managers down the line have to match their objectives with those of the level above them only. If the objective-setting process is reversed to overcome this limitation, and objectives are first set at the lowest level, it would mean that people are guiding the entire organization. It is difficult to implement in a situation of change. MBO assumes a stable environment where the objectives will hold good until they are achieved. In reality, however, many unforeseen changes may occur, rendering the objective impossible to achieve, irrelevant, or invalid. When sudden changes occur frequently, MBO is difficult to implement.

MBO was introduced in India in the early seventies. It has followed the British model rather than the American one, and consequently, there is a greater emphasis on corporate planning and control. Over fifty companies of different sizes and backgrounds and belonging to different industries have experimented with BO. Not all have been successful, but the number of successes is larger than the failures. MBO has been adopted in private and public sector companies and state government organizations.

The Indian company with the longest history of practising MBO is Madura Coats. Since 1971, MBO has become an established way of management in this company. Managers meet almost every other day for objective setting and reviewing. The managing director and MBO consultants meet monthly to review the various aspects of MBO. The success at Madura Coats proves that top management commitment is the most critical factor for success.

In contrast to Madura Coats, which is more than 100 years old, Bharat Bijlee is a relatively young company engaged in manufacturing and marketing various motors and lifts. MBO was initiated in 1974 with the selection of ten key result areas for improving effectiveness. These key result areas were profitability, expansion, diversification, manager development, organization development, cost-effectiveness, employee relations, plant modernization, material availability and public relations.

Specific objectives were set in each key result area, emphasising role clarity. This was achieved by defining objectives for twenty senior managers in a simultaneous process, thus ensuring integration and intermeshing of objectives. The experience with Hindustan Copper Limited (HCL) proves that MBO can work well in a large public sector undertaking. The experience of HCL proves that MBO can become institutionalized and continue despite

changes in the top management team. MBO was started in 1974 and restricted only to defining corporate objectives and covering one part of the organization

MBO applies not only to business firms but to other non-commercial organizations too. MBO has been successfully implemented in state government organizations such as the Tamil Nadu Dairy Development Corporation, Department of Stationery and Printing and Directorate of Industries and Commerce, amongst others. Besides Tamil Nadu, Gujarat is the other state which has enthusiastically adopted MBO. To begin with, the Commissionerate of Industries and the Gujarat Industrial Development Corporation were selected for the MBO program. Some other companies successfully implementing MBO are Bharat Heavy Electricals Limited, Grindlays Bank, Blue Star, Shaw Wallace, and Glaxo Limited.

There have been cases where MBO has failed. The most commonly encountered reasons for the failure of MBO are:

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There have been cases where MBO has failed. The most commonly encountered reasons for the failure of MBO are:

- Lack of top management support and commitment
- Lack of or inadequate planning and preparation
- Lack of information and education
- Very short time horizon
- Overemphasis on appraisal
- Poor understanding of the role of MBO and
- By avoiding the pitfalls mentioned earlier, you can ensure that MBO will be
- successfully implemented

Review questions:

1. Explain the concept and definition of planning.
2. Explain the need and steps in planning.
3. What is MBO?
4. What do you know about decision-making?

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