

DECLARATION

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MBAT–201: ORGANISATION BEHAVIOUR & HUMAN RESOURCE MANAGEMENT

Unit 3

“Compensation is a systematic approach to providing monetary value to employees in exchange for work performed”.

Gary Dessler: “Employee compensation refers to **all forms of pay going to employees and arising from their employment.**

The basic purpose of **compensation management** is to establish and maintain an equitable reward system.

Every organisation must offer good wages and fringe benefits to **attract and retain** talented employees with the organisation. If at any time, the wages offered by a firm are not competitive as compared to other firms, the efficient workers may leave the firm.

Therefore, workers must be **remunerated adequately** for their services.

Compensation to workers **will vary** depending upon the **nature of the job, skills required, the risk involved, nature of working conditions, paying capacity of the employer, bargaining power of the trade union, wages and benefits offered by the other units in the region or industry** etc.

Objectives of Compensation

1. The first is **equity**, which may take several forms. They include income distribution through **narrowing of inequalities, increasing the wages of the lowest-paid employees, protecting real wages (purchasing power), the concept of equal pay for work of equal value** compensation management strives for internal and external equity. Internal equity requires that pay be related to the relative worth of a job so that similar jobs get similar pay. External equity means paying workers what comparable workers are paid by other firms in the labour market. Even compensation differentials based on differences in skills or contribution are all related to the concept of equity.

2. **Efficiency**, which is often closely related to equity because the two concepts are not antithetical. Efficiency objectives are reflected in attempts to **link a part of wages to productivity or profit, group or individual performance, acquisition and application of skills**

and so on. Arrangements to achieve efficiency may be seen also as being equitable (if they fairly reward performance) or inequitable (if the reward is viewed as unfair).

3. Efficient allocation of labour in the labour market. This implies that **employees would move to wherever they receive a net gain, such movement may form one geographical location to another or form on the job to another** (within or outside an enterprise). The provision or availability of financial incentives causes such movement. For example, workers may move to form a labour surplus or low wage area to a high wage area. They may acquire new skills to benefit from the higher wages paid for skills. When an employer's wages are below market rates employee turnover increases. When it is above market rates the employer attracts job applicants. When employees move from declining to growing industries, an efficient allocation of labour due to structural changes takes place.

Other Objectives of Compensation:

1. Acquire qualified personnel – compensation needs to be high enough to attract applicants. Pay levels must respond to the supply and demand of workers in the labour market since employers compete for workers. Premium wages are sometimes needed to attract applicants already working for others.

2. Retain current employees- Employees may quit when compensation levels are not competitive, resulting in higher turnover.

3. Reward desired behaviour- pay should reinforce desired behaviours and act as an incentive for those behaviours to occur in the future. Effective compensation plans reward performance, loyalty, experience, responsibility, and other behaviours.

4. Control Costs: a rational compensation system helps the organisation obtain and retain workers **at a reasonable cost. Without effective compensation management, workers could be overpaid or underpaid.**

4. Comply with legal regulations- a sound wage and salary system considers the legal challenges imposed by the government and ensures the employer's compliance. Facilitate understanding- the compensation management system should be easily understood by human resource specialists, operating managers and employees.

5. Further administrative efficiency- wage and salary programs should be designed to be managed efficiently, making optimal use of the HRIS, although this objective should be a secondary consideration compared with other objectives.

Components of Compensation

1 Basic Wages/Salaries: Basic wages/salaries refer to the cash component of the wage structure based on which other elements of compensation may be structured. It is normally a fixed amount which is subject to changes based on annual increments or subject to periodical pay hikes. Wages represent hourly rates of pay, and salary refers to the monthly rate of pay, irrespective of the number of hours put in by the employee. Wages and salaries are subject to the annual increments. They differ from employee to employee and depend upon the nature of job, seniority, and merit.

2 Dearness Allowance: The payment of dearness allowance facilitates employees and workers to face the price increase or inflation of prices of goods and services consumed by him. The onslaught of price increase has a major bearing on the living conditions of the labour. The increasing prices reduce the compensation to nothing and the money's worth is coming down based on the level of inflation. The payment of dearness allowance, which may be a fixed percentage on the basic wage, enables the employees to face the increasing prices.

3 Incentives: Incentives are paid in addition to wages and salaries and are also called 'payments by results'. Incentives depend upon productivity, sales, profit, or cost reduction efforts. There are (a) Individual incentive schemes and (b) Group incentive programmes.

Individual incentives are applicable to specific employee performance. Where a given task demands group efforts for completion, incentives are paid to the group as a whole. The amount is later divided among group members on an equitable basis.

4 Bonus: The bonus can be paid in different ways. It can be a fixed percentage on the basic wage paid annually or in proportion to the profitability. The Government also prescribes a minimum statutory bonus for all employees and workers. There is also a bonus plan which compensates the managers and employees based on the sales revenue or profit margin achieved. Bonus plans can also be based on piece wages but depend upon the productivity of labour.

5 Non-Monetary Benefits: These benefits give psychological satisfaction to employees even when the financial benefit is not available. Such benefits are:

- (a) Recognition of merit through certificate, etc.
- (b) Offering challenging job responsibilities,
- (c) Promoting growth prospects,
- (d) Comfortable working conditions,
- (e) Competent supervision, and
- (f) Job sharing and flexi-time.

6 Commissions: Commission to managers and employees may be based on the sales revenue or profits of the company. It is always a fixed percentage on the target achieved. For taxation purposes, the commission is again a taxable component of compensation. The payment of

commission as a component of commission is practised heavily on target based sales. Depending upon the targets achieved, companies may pay a commission on a monthly or periodical basis.

7 Mixed Plans: Companies may also pay employees and others a combination of pay as well as commissions. This plan is called a combination or mixed plan. Apart from the salaries paid, the employees may be eligible for a fixed percentage of commission upon achievement of fixed the target of sales or profits or Performance objectives. Nowadays, most of the corporate sector is following this practice. This is also termed as a variable component of compensation.

8 Piece Rate Wages: Piece rate wages are prevalent in manufacturing wages. The labourers are paid wages for each of the Quantity produced by them. The gross earnings of the labour would be equivalent to the number of goods produced by them. Piece rate wages improves productivity and is an absolute measurement of productivity to wage structure. The fairness of compensation is based on productivity and not by other qualitative factors.

9 Fringe Benefits: Fringe benefits may be defined as a wide range of benefits and services that employees receive as an integral part of their total compensation package. They are based on critical job factors and performance. Fringe benefits constitute indirect compensation as they are usually extended as a condition of employment and not directly related to the performance of the concerned employee. Fringe benefits are supplements to regular wages received by the workers at a cost of employers. They include benefits such as paid vacation, pension, health and insurance plans, etc. Such benefits are computable in terms of money and the amount of benefit is generally not predetermined. The purpose of fringe benefits is to retain efficient and capable people in the organisation over a long period. They foster loyalty and acts as a secure base for the employees.

10 Profit-Sharing: Profit-sharing is regarded as a stepping stone to industrial democracy. Profit-sharing is an agreement by which employees receive a share, fixed in advance of the profits. Profit-sharing usually involves the determination of an organisation's profit at the end of the fiscal year and the distribution of a percentage of the profits to the workers qualified to share in the earnings.

The percentage to be shared by the workers is often predetermined at the beginning of the work period and is often communicated to the workers so that they have some knowledge of their potential gains. To enable the workers to participate in profit sharing, they are required to work for a certain number of years and develop some seniority. The theory behind profit-sharing is that management feels its workers will fulfil their responsibilities more diligently if they realize that their efforts may result in higher profits, which will be returned to the workers through profit-sharing.

PRINCIPLES OF COMPENSATION FORMULATION

The main factors affecting wage or compensation levels within an organisation are external relativities, salary, and individual worth.

External relativities Market rates as affected by supply, demand, and general movements in pay levels.

Salary relativities between jobs within the organisation depending on the values attached to different jobs.

Individual worth The value of the individual's performance to the organisation.

Types of Compensation

1. Direct /Base Compensation: Direct compensation refers to monetary benefits offered and provided to employees in return for the services they provide to the organisation. The monetary benefits include

1. Basic salary,
2. house rent allowance,
3. conveyance,
4. leave travel allowance,
5. medical reimbursements,
6. special allowances,
7. bonus,
8. Pf/Gratuity, etc.

They are given at a regular interval at a definite time.

Money is included under direct compensation (popularly known as basic salary or wage, i.e. gross pay) where the individual is entitled to for his job, overtime-work and holiday premium, bonuses based on performance, profit sharing and opportunities to purchase stock options.

2. Indirect /Supplementary Compensation: Indirect compensation refers to non-monetary benefits offered and provided to employees in lieu of the services provided by them to the organisation. They include

1. Leave Policy,
2. Overtime Policy,
3. Hospitalization / Med Insurance,
4. Other Insurance,
5. Leave travel Assistance,
6. Retirement Benefits,
7. Holiday Homes.

While benefits come under indirect compensation and may consist of life, accident, and health insurance, the employer's contribution to retirement (pensions), pay for vacation or illness, and employer's required payments for employee welfare as social security.

Human resource activities are based on the propositions that highest goals can be achieved only by developing and maintaining a loyal, efficient group of employees, who believe in the company, who gain satisfaction from their work, and from whom extraordinary achievement is an individual ambition. In order to achieve these conditions, a professional would need a strong foundation on the variables like morale, motivation, compensation and quality of work-life, which are being elaborated upon in this unit. In the absence of an amiable and cohesive human resource

environment, an organisation's activities would see a gradual decline, even if the organisation is provided with all resources. Organisations that focus their energies on achieving reasonably satisfying levels of Human Resource Development indicators tend to be more stable and healthy.

Principal Compensation Issues and Management and Basic Concepts in Compensation
The total of all rewards provided to employees in return for their labour is called by the generic term "Compensation". Monetary compensation includes both direct and indirect components. Direct compensation consists of the base wage and incentives. Job-based pay and competency-based pay are two methods of determining the base wage or salary. Indirect compensation includes benefits that are mandated by law and those that employers provide voluntarily. Social security, unemployment compensation, and workers' compensation are benefits that employers provide. Allowances for house rent or to meet escalating cost of living, insurance and vacation pay are commonly offered benefits and perquisites that are not required by laws. Factors like minimum wage specified by legislation, the market rate for different qualifications, an organisation's ability to pay and the compensatory factors other than pay that an organisation could offer to its employees are some of the determinants of compensation levels.

Wage and Salary: Wage and Salary are together known as pay. While wage specifies the worth of the job, salary specifies the worth of the person.

Salary is usually paid on a monthly basis while wage could be paid daily, weekly or fortnightly.

Wage is usually associated with manual work and comes with provisions for overtime work, while the word salary is used to refer the remuneration for white-collar staff, professionals and managers.

Wages and salaries have also been used interchangeably. Both wage and salary help to achieve effective employee performance. Wage is the part of total production that is the return to labour as earned income as distinct from the remuneration received by capital as unearned income.

Wage freeze refers to a temporary fixing of wages at a certain level, especially during economic difficulties.

The term "**Real Wage**" represents the purchasing power of the money given as wage. A fair wage is a wage that is commensurate with a person's effort.

Subsistence wage is the barest minimum possible wage required to be earned by a person to sustain his or her life.

Wage scale is a graduated scale of wage rates for different levels of work. The components of pay usually consist of a Basic part, Dearness Allowance, House Rent Allowance and City Compensatory Allowance.

Besides these, organisations may also provide **reimbursements** of educational and medical expenses of the employees and their dependents. Some also pay commissions and incentives to their employees. Perquisites include vehicles, phone rentals, home-furnishing costs, newspapers and magazines, paid domestic help or drivers, membership in clubs, accommodation in guesthouses and so on.

Payscale is the numerically expressed statement about the beginning minimum and the final maximum basic pay and the annual increments and the subsequent slabs after which the rate of increase in the basic would be different.

For example, a pay scale of “9,000 – 400 – 11,000 – 600 – 14,000” implies that the salary starts with a basic of Rs.9,000/- followed by an increment of Rs. 400/- every year until 9,000 becomes 11,000. From then onwards, there would be an increment of Rs. 600/- in the Basic Pay until one reaches Rs. 14,000/- which is the final limit of the present scale. Beyond this year, the person may be considered for being placed on a higher pay scale or, the pay scales of the entire organisation could be reformulated.

Recent trends in Compensation

Organisations began to pay the scarce-skill premium. This gets skilled people who are ineligible to be fixed at pay scales of higher echelons due to their junior status but have very rare skills which are crucial to the success of organisations. The premium would continue as long as the skillset remains to be rare.

The differentiation in salaries between employees with different skill-sets, but same length of experience, has increased within the IT industry. The variation is as large as 60% based depending upon the skill-sets and exposure to different knowledge areas.

The differentiation in salaries has also increased between Multinational Corporations (MNCs) doing development work in niche areas and others.

Salary levels for international placement of software professionals have also increased by 20% - 25%. At the same time, some companies have reduced the expertise/skill levels without increasing salaries in absolute terms.

There is a greater tendency now to structure compensation by including anywhere between 10% - 50% of total compensation as performance incentive/reward or flexible payments.

Many more multinational and leading Indian companies in the Information Technology area are now making a serious effort to convey their HR orientation and are taking specific steps in implementing multi-skill and behavioural training and introducing pro-active employee retention schemes.

Wage Policy: Wage is the source of livelihood for the recipient employee while it is viewed as a production cost by the employer who pays it. Wage policies are principles acting as guidelines for determining wage structure. They are expected to ensure minimum standards of comfort and decency to the wage-earners. A wage policy statement of a for-profit organisation, usually contains references to the starting rates for all grades, instructions on when to hire below/above the starting rates, the wage period by which wages are payable, provision for severance pay, the period for which each wage revision would be applicable and whether increment is to be fixed amount or as a percentage of present pay. Other points that may be covered in a wage policy may

include the ratio of fixed-wage versus variable pay, the ratio of gross pay versus 'take-home' pay, the lower and upper limits of wages and perquisites, the wage differentials between the highest-paid and the lowest-paid worker, possibilities of profit-sharing and such other matters, as may be considered relevant.

An organisation establishes compensation policies that determine whether it will be a pay leader, pay follower or strive for an average position in the labour market. Pay leaders are organisations that pay higher wages and salaries than competing firms. Using this strategy, an organisation would aim to attract high-quality, talented and productive employees with whom they could achieve a lowering of per unit labour costs. Pay followers are organisations that choose to pay below the going rate in the market because of a poor financial condition or a belief that they simply do not require highly qualified employees. Difficulties occur when this policy is followed, as only less committed, desperate and poorly equipped personnel tend to join a firm with such policies of remuneration. Those who choose to pay an average rate, appear to believe that they could employ the requisite number of qualified people at the same time remaining competitive, as they would not have to increase the selling price of goods and services on account of salaries paid.

A policy on wages, salaries or perks should cover the due date of subsequent review, the method of review, rules for hiring below the minimum, at the minimum and above minimum rates, and the authority and control for making changes in wage patterns. The policies might also cover the percentage of raises permissible during promotions, the cost of living allowance (COLA) or the Cost of Living Indices and related adjustments to wages, rules for special raises, criteria for fixing annual increments based on merit and seniority and schemes of flexible payment and benefits.

Compensation and Benefits

A system of wage and salary administration should be carried out in such a manner that employees are attracted, retained, motivated, recognized, appreciated, treated fairly and equitably.

Some organisations choose to pay high salaries and confine themselves with the statutory benefits. Some organisations try to offer unique and elaborate schemes of benefits while restricting their pay scales to the minimum levels permitted by market conditions. The system should also ensure accurate calculation of earnings owed to each of the employees for purposes like overtime, performance rewards, incentives payments and allowances, by the employer and make sure that pay is distributed in time and with proper records. The system should control costs, comply with the statutes and be easy to administer.

Wage Fixation: Wage is fixed based on the value of the amount fixed by wage boards, cost of living in the locality, productivity shown and promised by workers, work to the organisation, the scarcity of the skill in the labour market, the difficulties in the job that determine the number of people willing to undertake the job, the affordability of the employer, the extent of prosperity in the industry in a given period and the bargaining power of the workers and their unions.

Wage-Productivity: the relationship is generally taken as a rational basis for wage revision. An increase in output per unit of labour is always a ground for workers to press their claim for higher wages as their due share of the rise in profits.

Wages may be of two types such as time rate and piece rate. They are fixed with the help of industrial engineering and personnel departments and are administered by the payroll departments, according to the provisions of the payment of wages law at rates equal to or above the minimum wage law. Equal remuneration for equal work without any discrimination on grounds of gender has been guaranteed by the law. Wage laws insist that wage is paid in cash and not in kind. They also state that the maximum permissible wage period would be thirty days. They even specify the list of deductions permissible, subject to a ceiling.

Some of the authorized deductions are the recovery of loans, contributions towards social security measures like Provident Fund and Employees' insurance damages recoverable from the employees for loss incurred due to the person by the employer, etc.

Incentive Schemes

The term 'Incentive' means inducements offered in order to get better outputs from people. Incentive schemes are used to enhance the motivation level by tapping the ambitions of the employees to earn more. Incentives tend to influence individuals to stretch their capacities and personal objectives and carry out special tasks and take initiative. Incentives become necessary because of people with less ability to perform a specific task but stronger will or motivation can perform better than people with superior ability and lack of will. Group incentives have the potential to harness individual efforts towards greater teamwork and synergy.

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Morale

Employees' Morale, in general, refers to **the atmosphere created by the attitudes of the members of an organisation.** According to the Oxford Dictionary, Morale is understood to be the **mental and emotional attitude of a person or group about aspects like confidence, optimism, enthusiasm and willingness.**

It depicts the degree of contentment with one's situation. Morale can be drastically improved through morale boosters like an event, occurrence, or saying which has the potential to change the attitudes of employees. The subject of morale has been gaining the attention of industrial and organisational psychologists and management researchers for more than half a century, since the 1950s.

Morale and productivity are said to be positively correlated, especially combined with group cohesiveness, though the increase in productivity is not always proportionate to the extent of moral improvement. Morale could be built in many ways.

A free, frank and fair approach to managing by employers pave way for good morale and organisational health.

Employees watch closely to see whether profits are being pumped back into the organisation as facilities, whether old types of equipment are being replaced with new ones, whether new jobs are getting added. All of these things are tangible and highly visible signs of a progressive company and hence they build and improve morale.

Signs of poor morale include **sluggishness or tardiness, high levels of employee turnover, constantly complaining about trivial issues, arriving late and leaving early, or taking off without any satisfactory explanation, dragging out tea-breaks and mealtimes to get the maximum amount of time away from work, blaming colleagues, non-observance of instructions, being reluctant or un-cooperative when extra effort is needed, not measuring up to standards and neglecting to follow instructions.**

Results of low morale among employees would include harking back to the past and pondering over failures, developing self-defeating attitudes, ignoring organisational communications, grudgingly accepting the situation, complaining constantly without being prepared to do anything about it, abdicating personal responsibility for performance inadequacies of the organisation and indicating that there could be no expectation of high standards within the organisation.

Basic Assumptions about Motivation

1. The first assumption is that motivation is a desirable phenomenon.
2. Second, motivation is just one of the several factors that go into a person's performance, the others being ability, authority, resources, and physical working conditions.
3. Third, managers and researchers alike assume that motivation is in short supply and in need of periodic replenishment.
4. Fourth, motivation is a tool with which managers can arrange job relationships in organisations.

Factors affecting employees' morale usually include the leadership, the co-workers, the nature of work, the work environment, the management body of the organisation and the nature of supervisors.

Morale building could be effectively achieved by planning and implementation of proper remuneration, perception of job security, job enrichment, organisation structure, grievance handling, counselling and greater participation by employees in the management of their organisation.

Signs of good morale are described by three words namely "**staying, speaking and Slogging**" by the employees. Staying refers to remaining in the organisation despite getting lucrative offers from outside. The word 'Speaking' is used here to mean talking positively about the organisation to its stakeholders. Slogging involves putting the extra effort for the progress of the organisation or bearing additional burdens for the benefit of the organisation. High morale facilitates cooperation and enhances a sense of unity or "esprit-de-corps" among people working together. It could attract and retain competent employees. It creates a favorable image and an inclusive atmosphere among an organisation's stakeholders.

The interplay of mind and body of oneself and behaviour of self and others would influence morale. Morale would suffer the most severe test of endurance in jobs in which the future remains unpredictable or a job in which the co-workers are unfriendly or when employees are holding grudges or feelings of resentment against each other. Morale could also be deteriorating if employees feel stifled or their voices suppressed and are unable to grow or when employees don't

feel that they are getting consistent, unconditional, impartial and adequate recognition from their employer and supervisors.

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Quality of Work Life (QWL)

QWL refers to a favourable work situation which emphasises the strengthening of relationship, sensitivity, comforts and concern for one another among employees of an organisation.

QWL is defined as a process of work organisations which enables its members at all levels to actively participate in shaping the organisation, its environments, methods and outcomes. Enhanced effectiveness of an organisation is assessed in terms of the greater financial strength of an organisation, the strength of its internal systems and the satisfaction of its various stakeholders. QWL and organisational effectiveness are considered to be the twin goals of an organisation.

Evolution of QWL: Studies related to QWL started in the 1950s and evolved through different stages. Eric Trist and his collaborators from Tavistock Institute, London is pointed as the precursors to research on Quality of Working Life. In that decade, they had initiated a series of studies that gave origin to a social-technique approach related to work organisation. There was a concern with worker satisfaction and welfare. However, only in the 1960s, the movement was developed. There was a consciousness about the importance of trying better ways to organize the work, to minimize the negative effects of jobs over the worker. The first movement phase was extended until 1974 – in the USA - when there was an interest fall by QWL in the function of economic questions - energy crisis and increasing inflation. The survival needs of companies made employees' interests move away from QWL.

QWL is also referred to as an important Organisation Development (OD) intervention technique to be used along with other techniques like team building, process consultation and role analysis technique. QWL as an OD technique is designed to improve organisational functioning by helping to humanise the workplace, making it more democratic and involving employees in making decisions affecting them. The conditions that contribute to motivation such as equitable salaries, activities such as job enrichment and job rotation would also contribute QWL.

Jurisdiction of QWL initiatives includes task-related issues, management-employee communication, team working, work restructuring, redesigning of compensation and benefits, and workers' active participation in management. The importance of QWL of human capital lies in the fact that most people who work for a living are spending a significant amount of their waking hours at the workplace executing the requirements, duties and functions of their job and that their satisfactions and dissatisfactions at the workplace are carried over to home as well. By improving the QWL, the workers feel better about themselves when they are working in a plant.

In the middle phases of the QWL debate in the 1970s, the idea was put forth that greater individual control over work, through genuine participatory decision making, would have positive outcomes for employees and employers alike. By the early 1980s, such advocates of worker involvement and labour-management cooperation identified increased participation with workplace empowerment. In the past, management assumed an attitude of passivity when solving their subordinates' problems. But when employees are encouraged to solve their own problems using

the managers as resources, a sea change is certainly at hand. On the employee side, the act of taking on power and responsibility is equally momentous” QWL is a term that has been used liberally over the years, to describe everything from flexi-time to self-directed work teams.

QWL is designed in many organisations to be joint union-management programs to improve organisational effectiveness and productivity as well as working conditions. A network of labour-management committees, ably led by a steering committee, usually guides these efforts. QWL programs in these firms are wider in scope than Quality Circles and they often involve redesigning or “broad-banding” jobs and/or changing the work processes. The aim of the programs is workplace wellness among employees, organisational health and stability, and high-performance work organisations.

QWL initiatives may also be linked with collective bargaining issues and thus provide for the involvement of employee unions in its steps. In many cases, QWL initiatives have met with considerable opposition from workers and their unions because of the perception that QWL is a means of marginalizing the union’s role with its emphasis on individual motivation, problem-solving and informal systems of participation. This is in contrast to the traditional focus of industrial relations on the management of effort-reward bargain through formal rules and written down promises to provide better living and working conditions.

Components of QWL

QWL is determined by the presence of the following features that represent the principles of security, equity, individualization, cohesiveness and democratic participation by employees in their organisation’s management. QWL might mean different elements to people of different age groups, occupations, regions, cultures, nationalities, genders, educational qualifications and income levels, in organisations. Therefore different people might consider one or more of the following conditions to be more important than the others, in determining QWL of human resources:

1. Adequate and fair compensation: Wages, Salaries, incentives, bonus, social security and perquisites should be designed in such a manner to be adequate for all the employees to meet the needs of socially determined standards of living and in order to ensure a just balance between effort and rewards.
2. Safe and healthy working conditions: Including hours of work and rest pauses, freedom from occupational hazards, accidents, negative stress, life-threatening conditions and other factors detrimental to the well-being of employees.
3. Opportunities at the workplace to use different capacities: Using one’s creativity and innovation, use of multiple skills and talents, encouragement to pursue education and professional development.
4. Opportunities to learn, to grow and feel secure at the jobs: Possibilities of self-improvement and career advancement, provision of autonomy, appreciation of efforts and results, knowledge of the whole tasks and inclusion in decision making stages of the work process concerning the whole organisation.

5. Social integration in terms of a community: This comprises of interpersonal openness and equality; Feeling the warmth of companionship, mutual respect, tolerance and camaraderie and being united; Being free from prejudices on the ground of gender, language, nationality or economic class.

6. Rule of Law at the workplace: Principles of natural justice and equity, equality, safeguards to personal freedom and reasonable protection from violations of rights and respect of privacy about an employees' off-the-job behaviour.

7. Work-Life Balance: This aspect includes consideration for employees' personal and family life, resulting in the upholding of reasonable restrictions upon the schedule of work hours and travel requirements, overtime requirements, leisure and recreation, savings for the future, practising one's faith etc.

8. Social Relevance of work: Work should be recognized for its contributions to the well being of society. Employees do not like to be mere cogs within wheels and be paper-pushers. They are inspired by **a sense of mission / purpose** inherent in their work.

QWL is not based on a particular theory and it does not advocate any particular technique for application. Instead, QWL is more concerned with the overall climate of work, the impact of work on people as well as organisational effectiveness.

It is based upon the idea of Quality of life, which is a culture attribute that reflects the emphasis placed upon relationship and concern for others. An organisation could be considered effective only if the QWL features are satisfactory according to the employees. The more an enterprise is committed to the assurance of QWL, the more it will encourage open competition among all candidates for management positions, so that managers with adequate abilities alone would be placed in any position.

QWL is sometimes equated to the socio-technical approach to job design, aimed at harmonizing the personal, social and technological functioning of employees. This formula of QWL has become an internationally renowned effort to bring about increased labour-management co-operation to jointly solve the problem of improving organisational performance and 'motivation and satisfaction' of employees. There are many other approaches to QWL such as self-management teams, leadership, communication, organisational design, organisational change & development and organisational culture.

Thus, adapting QWL to organisational level would be the first step towards enhancing the usefulness of the process. Integrating QWL with other OD interventions and using them in combination, would heighten the outcomes, besides sustaining the benefits over a longer period. Subjecting the QWL practices to periodic documentation and a stringent monitoring and auditing process would help in bringing about rigour and seriousness in their implementation.