

# Employment & Policies

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## ABSTRACT

The source of living is income, for which majority of people take up employment. This employment defines the nature of relationship with the employer and thereby, it is in different types and forms. As days go by, people have started the changing employer; which is now caught up as a practice and those who do not change employment in any given five year term. Moreover, it is proving costing for employer to hire, train and get returns on their investment. So, retention is caught up as a practice and deeper study reveals the structure and culture are very much the determinant factors. Wherein, all these are well communicated to employees through policies – therefore the connectivity between policies and employment is well established. At the same time, it gives immense room to further study the correlation and design policies accordingly.

## 1. INTRODUCTION

Every person, who is born have to live and to live–require some sort of income.

Income in any profession comes from different sources like–fee for the profession, trade, brokerage, commission, manufacturing, interest, rent and salary.

Salary is a compensation for parting with their time & effort; during the agreed time period. The model is termed as employment and it is formulated by the employment agreement, appointment letter and the policies & procedures. In simple terms, employee is a person with a payment job.

### 1.1. Definitions

In the words of Justice Gardiner of South Africa, “to constitute employment there must be control by the employer over the employee - the right to give the employee instructions as to what he is to do”

By various Acts in US – “a professional engagement or otherwise under a contract for services.... any trade, business, profession, office or vocation.... any relationship whereby one person personally does work or performs services for another”

### 1.2. Types of employment

Full-time & Part-time employees

Casual employees

Voluntary Workers

Seasonal Workers

Freelance

Fixed term and contract

Apprentices and trainees

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Full-time employees work on a regular basis for an average of 40 hours per week. Full-time employees are entitled to various benefits like annual, personal, sick, bereavement, parental leaves

Part-time employees usually work for less than the hours designated to full-time employees and the timing will mostly be flexible

*Probation* is a standard practice under both forms (full-time and part-time). It involves the initial period - usually six months, where employers assess the capability of an employee to meet the job description. Based on which, employment is confirmed as permanent part-time or permanent full-time.

Casual employees are workers who are on standby to do work as required without fixed hours or attendance requirements. However, these workers are employees, from the stand point of employment rights. In simple, when the availability of the employee and the requirement of employer strikes the chord.

Voluntary workers are in the status of trainee. They are under no obligation to perform work and do not claim compensation.

Seasonal workers are those in hotel and catering industry subject to special arrangement regarding their work time; there is complete insurance coverage.

Freelance: work on projects and not process.

Characteristics of freelancing can include:

- Working with multiple contracts/employers simultaneously
- Working from home
- Scheduling own hours
- Negotiating pay rates
- Payment based on deliverables
- Tax payments self-responsibility

Fixed term workers are those who get into the same lines of employment; however the period of the term will be defined.

Apprentices are people, who are raw to the respective domain / field. Do not concentrate on the compensation; up skilling themselves will be the key

## 2. RELATED WORK

Having learnt about employment and its types; we take a deep view on employee -

When we refer to an individual as an “employee” – we mean an individual who is entitled to be covered for unemployment purposes. Most labor and tax laws assume anyone compensated for work is an employee UNLESS the employer can demonstrate otherwise, or there is a specific exemption in the law.

An individual who works part-time or full-time under a contract of employment, whether oral or written, express or implied, and has recognized rights and duties. A person employed for wages / salary (especially at non-executive level), also called worker.

With the views on employment and employee – going into today’s status of employment. In the words of Vivian Giang, “YOU SHOULD PLAN ON SWITCHING JOBS EVERY THREE YEARS FOR THE REST OF YOUR LIFE, THE STIGMA OF BEING A FLAKY JOB-HOPPER IS QUICKLY BECOMING A THING OF THE PAST, AND THAT’S A GOOD THING”.

From the employee's angle, it allows to  
Develop the skill,  
Get higher compensation and  
Better opportunities.

Workers who stay with same company above two years are said to get paid 50% less.

However, Job hopping (switch employment frequently, every 2 years) was interpreted in following sense:

- Shifting jobs every couple of years looks bad on the resume
- It is read that the person can't hold down a job
- The person can't get along with colleagues
- They are simply disloyal and employer cannot commit

Now, it is stated that even though, the job hoppers are higher performers and they are more loyal, because they care about making a good impression in very short time. They want to continuously learn, develop, and advance in their careers. Trunk believes that the learning curve "pretty much flattens after three years." This sentiment is different than the belief of past generations. A long career in sports would have actually received high number of erroneous umpiring decisions; no more thought of long-term employer treating you fairly (in the end).

Patty McCord (former chief talent officer for Netflix) says job hopping is a good thing, and young people should plan to do so every three to four years. She further exclaims that "I think that the most important, critical change in people's mental outlook is to view employees as smart contributors from the beginning," "Everyone here wants to come in, do a great job, and contribute," then they either fit or they don't," she adds.

In spite of higher designation, better compensation, travel comfort and domain knowledge – change of job requires abnormal inter push, either in the form of supervisory pressure in existing role or the readiness to accustom change. Job hoppers are constantly placed outside of their comfort zones; they join companies, know they have to learn fast, make great impressions, and improve the bottom line—all within a couple of years before moving on to their next conquest. As a result, they're usually overachievers and learn a lot in a short span of time.

According to Penelope Trunk, serial entrepreneur and author, life is actually "more stable" with frequent job changes. He further adds that "In terms of managing your own career, if you don't change jobs every three years, you don't develop the skills of getting a job quickly, so then you don't have any career stability,"

### 3. BACKGROUND

People used to think that the longer you kept an employee, the more worth they are to you, because you train them and they get used to their job and then they do it. But, in fact, an employee who stays on the job and isn't learning at a really high rate is not as engaged, so they're not doing as good work. So it turns out, the employee who stays longest, you get the least work out of, and the employees that job hunt are the most receptive of becoming extremely useful, very fast.

However, from the Company perspective:

- Employee retention is a big issue, and "it scares the hell out of" employers, says McCord.
- Moreover, it is costly it is to train employees and if companies have to keep training new employees, it directly affects their business objectives.
- They are not able to cash-in the investment of recruiting a particular person.

The industry researchers have exclaimed that “In 15 years, when your company is growing rapidly because of all the high, job-hopping achievers that have come and gone, unless you’re an institution, don’t worry that no one has any institutional knowledge of your company”.

So, there comes a concept called ‘Employee Retention’ through engagement model. For any item, money could be a solution; however it is not the only solution and is not long standing or everlasting. This turns to bottom-up approach of looking into basic items will run a person – monetary and interest; so interest is rejuvenated in the form of Rewards & Recognition and career growth opportunities.

Again, understanding what supervisor lacks, put him into training thereby bring-in positive force, conduct propaganda, become appreciative of the floor pulse and aligning expectations, arrange fun events at work are common tips. In the words of Sumit Mitra, MD of BT Central Business Services (CBS):

- Set a clear, common purpose everyone in your organization can relate to
- Equip your managers
- Encourage and support people’s growth and development
- Recognize and reward
- Give your employees a voice
- Champion open and honest communication
- Have fun @ work

All the above clearly points out that there has to be a pattern each Organization has to follow to lead the above practices – while that is termed as Culture, a running document, a precedence setter is the policy framework.

Peter Drucker famously said that “*Culture eats strategy for breakfast. If strategy is for breakfast then your structure is for lunch*”. Culture refers to ‘the way we do things around’. Culture cannot be fixed by simply fixing mistakes. Culture is what creates the mistakes and it will always remain.

#### **4. VALIDATION**

Often senior cadre ignores organizational culture because it works for them, by ignoring culture; the senior cadre indicates that main reasons for restructuring, is belief that structure determines culture. Companies assume that a restructure will change the culture of the company. But actually, Culture overcomes any structural chart or any re-organization. Even if a re-structure creates temporary success, culture will reassert itself.

##### **4.1. Structure and culture**

A learning organization will behave differently than a matrix or decentralized organization that cannot learn; simply because ‘teams and units work well because they can learn and adapt’, as a result they do not require restructuring.

However, refreshing with new members and / or new responsibilities would be the name of the game. Successful teams explore why they succeed and what needs to be changed to maintain that success; so they resort to improving their teams and their units, performing adjustments and some changes by building on their existing culture.

If the structure is wrong, it can be changed because the culture is working. But, a changed structure will not bring a new culture. There is a culture for a team and a wider culture at organization level. So, seasoned players view that adjustments applicable at a team level cannot be manifested at Organization level. They know that they have to work with the culture to ensure restructure succeeds.

#### 4.2. Restructuring to avoid dealing with a corporate culture

In a dysfunctional organization, senior managers start to restructure as a conscious strategy to avoid dealing with the corporate culture.

Teams work their roles and responsibilities with each restructuring; they only learn to adapt the existing culture to the new structure wherein they should create a new culture to adapt. Since, structure is concrete, easier to manage and fits the vision; often people choose a structure over culture. While, structure is easily presented – culture can only be expressed.

#### 4.3. Structure to reflect culture

In a newly formed organization, managers ask questions and challenge the Organization on a regular basis, and drive effectiveness of their culture; which allows the culture to evolve – in hierarchically structured Organization, language does not match reality. So, the structural problems will start reflecting the cultural problems.

#### 4.4. Restructuring is a way to solve many problems but not culture

Restructuring is popular because companies can find it difficult to talk about culture. Culture is messy and dates back to identity, engagement - neither of which is easy to deal with. Yet, culture is what creates an engaged employee willing to do more for the company. A company's culture is more than a list of values, it is made up of the myths, stories, and accepted practices that infuse an Organization.

*“Culture is what it is, so why change it”  
“You are never going to change it, so why try?”*

### 5. INTERRELATED FACTORS

“It is resistant to change because of tradition, inertia, and habit of ways of work requiring too much effort to change so it is best to work with it”

Any restructure is not complete, unless it addresses the culture. An Organization cannot learn which creates its blindness to change in culture. Culture will wait and exhale the changes by absorbing, since the actual issue is yet to be addressed. An Organization and its Managers should talk about how things are done. If Organizations cannot find a way to discuss bad news, it cannot address its culture. Not ready to change its culture will result in collapse of the organization.

A culture is better set by policies; what is the stand of an Organization in a particular scenario, for an exact case, given set of conditions.

- Body language and presentation exhibits the culture – which is set in phase through the dress code policy
- Importance of punctual and timing – better determined by attendance & leave policy
- Confidentiality and Adherence is dictated through the information security policy
- Significance of employee thoughts, suggestions is well transformed via Open door policy
- Implication of Company's feel on employees is structured in health & safety standards policy

### 6. CONCLUSION AND FUTURE WORK

Having discussed about employee, employer, employment, culture and about policies; it is clear that employment and policies are dependant variables – strict policies affect employment condition and

streamlining of employment condition can be governed only by reformation of policies. Policies have a daring impact on employee, employer and the entire gamut of employment – which requires to be studied and the industry should use the correlation impact for re-visting the policies.

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