

**Paper M-110(b): ACADEMIC LIBRARY AND
INFORMATION SYSTEM**

UNIT-V: Finance and Human Resource Management

By

Dr. R.K. Bhatt

Finance and Human Resource Management

❖ What is Financial Management?

- Financial management is not presently managing cash or providing funds. It is the revise of the principles and practices involved in the financial operations of an organizations, industry or state.
- The fund function is the task of providing funds needed for the enterprise i.e., provision of funds and their effective utilization.
- Financial management encompasses the two core processes of resource management and finance operations. It is an element of management dealing with acquisition, distribution and utilization of funds.

❖ Principles of Financial Management

A basic knowledge of library finance, library expenditure, budgeting and accounting is very important for any library and information science professional.

In the Libraries, some guiding principles for effective financial management are necessary. They are as follows:

- i. Effective Control
- ii. Simple procedures
- iii. Regularity and Farsightedness
- iv. Economy
- v. Flexibility

Determination of Finance

Financial management is considered to be an integral aspect of management of any organisation.

Libraries have usually been allocating their budget according to a formula based on usage statistics and cost of the materials.

Allocation of funds is dependent upon the following:

- To determine how libraries spend on their resources;
- How much of the share of the total budget is devoted to various services provided by the particular library;
- What is the composition of the resources allocated to each of the services;

- What are the costs for each unit of service delivered;
 - What resources could we reallocate to support an existing service or to start a new service;
 - Formal and informal allocation of funds; and
 - Perception of fairness and rational basis while allocating.
- ❖ In order to allocate funds in the best possible manner, the following points must be considered:
- i. The size of the organisation and its growth capability,
 - ii. Status of on-going activities, whether they are long term or short term, and
 - iii. Mode by which the funds are raised.

❖ **Methods of financial Determination**

The following methods may be used to determine the amount of finance needed to provide satisfactory service:

i. Per Capita Method

- In this method, usually the library users are categorized and for each category appropriate amount is appropriated. Then calculation is made for all the users in each category and in this manner it is the safest method to calculate the library finance based on per head of the library users.

- The University Grants Commission Library Committee had recommended that a university should provide Rs. 15 per student and Rs. 200 per teacher for acquiring reading materials for its library.

- The Kothari Education Commission in 1964-66 had also recommended that as a norm, a university should spend Rs. 25 for each student and Rs. 300 per teacher.
- Similarly, Ranganathan had also given suggestions for providing funding based on per capita method for the university, college and public libraries.
- The per capita method is the best, safest and most easy method for financial estimation.

ii. Formula Method

The formula method describes a situation in which the distribution of funds to a library is based on some formula. This method is considered to be very similar to the per capita method for financial estimation.

iii. Proportionate Method

- The proportionate method is based on the presumption that authorities provide adequate funds to the parent body of the library and out of which the parent body fixes a certain fixed amount for the library.
- Usually as a norm, a certain percentage of the whole budget is fixed for the library and the library has to manage out of that amount.
- According to Kothari Commission “6.5 per cent of educational budget as reasonable expenditure on libraries. But this could vary, say from 6.5 per cent to 10 per cent, depending on the stage of development of each university library.” At the early stage of development, percentage may go up to 10 per cent.

iv. Method of Details

According to this method all items of expenditure of a library are accounted for while preparing the financial estimates. These are of two types, viz.,

- a) Recurring or current expenditure and
- b) Non-recurring or capital expenditure.

For estimating public library finances, Ranganathan suggested the circulation of reading material be used for recurring/current expenditure and nonrecurring/ capital expenditure.

A basic knowledge of library finance, library expenditure, budgeting and accounting is, therefore, very important for any library and information science professional.

Sources of Library Finance

The sources of colleges and universities for getting grants can be viewed under two categories Primary Sources; and Secondary Sources.

❖ Primary Sources

- (i) The University Grants Commission (UGC): The universities are private institutions supported by public funds. The bulk of the university funds come from the Government via the University Grants Commissions.
- (ii) The Governments (Union or State): These are the largest providers of funds for the university and college libraries. These grants are sanctioned for a definite period on financial year basis. The funds are received in the form of recurring grants (to be received every year) or a lump-sum grant provided by the Governments.

(iii) Endowment Funds: Such funds are generally donated by some philanthropists interested in the development of education. The donor expresses his wish whether the endowment should be used for a general cause or for a limited purpose.

(iv) University Grant: The University sanctions funds to the library by providing the specific item individually. In certain cases the university allocates funds direct to the research or the academic unit, instead of the library.

(v) Grants from Agencies: Occasionally, special grants are received from certain sources other than the Governments or universities. Such sources are international agencies like the UNESCO, the UNO or the private and individual foundations.

❖ **Secondary Sources**

(i) Membership Fee: Usually universities make it compulsory for every student to pay a membership fee for making use of the library service. Such fees are to be paid on a semester or yearly basis.

(ii) Fine: The library charges a fine for the overdue books and for the books lost or damaged and for the supply of duplicate borrowing-cards lost by the members. The fine is collected and it is deposited in the account of the university.

(iii) Membership Fee from Non-Students and Teachers: Certain universities or colleges make provisions for special membership for the persons who may not be the bonafide students or teachers of the university. They charge a special membership fee from them for making use of the library.

(iv) Reprographic Service Fee: For providing Photostat copies or reprographic service, the library charges a fee. In some universities, the charges are only nominal since the university contributes to the expenditure to encourage the availability of research material to the researchers.

(v) Fee for Inter-Library Loan Service: Many libraries ask the members to pay for the cost of postage or other such expenses for the documents requested from the other libraries under inter-library loan service.

BUDGET

- Budget is an estimate, often itemized or expected income and expense or operating results for a given period in the fixture.
- Budgeting refers to plan of operation based on estimate.
- Budget contains the expected income and expense of a particular period.
- Budget is the financial expression of a plan.
- In budget, the total sum of money available is set aside for the needed specific purposes.
- Budget is an estimate of the future needs, arranged in an orderly basis, covering some or all of the activities of an enterprise for a definite period of time.

- Budgeting is the basic tool of financial management. A budget can be used to:
 - provide a plan stated in monetary terms;
 - identify costs associated with accomplishing specific goals;
 - supply a basis for negotiation and subsequent authorization; and
 - monitor progress toward goals.
- Most librarians and information professionals usually deal at the level of a departmental budget, made up of the costs for one or more specific services or activities.
- A budget must be realistic, reasonable, and attainable.

❖ Purpose

By means of a budget, a library is able to limit its expenditure to income. In addition, a budget enables it to do spending in a systematic manner.

- An annual budget must be established for each library to provide a tool to project resources necessary to achieve its goals and objectives, to measure current financial performance and guide operations related to financial provisions and to detect substantial changes in circumstances or working conditions of the organization.

❖ **Types of Budget**

(i) Line-item Budget

- This type of budget is used usually by libraries to allocate funds for a succeeding year in the incremental or line-item method.

- The line-item budget is often called ‘incremental budgeting’ involves picking of last year’s figures and adding the percentage to arrive at the focal year budget

(ii) Lump sum Budget

- In lump sum budget, a certain amount of money is allocated to the library.
- The library is given the necessary freedom to decide as to how the amount is going to be allocated to different categories.

(iii) Formula Budget

- In formula budget, predetermined standards are applied for allocation of money.
- Such a budget is technical and easy to prepare.

• It does not require special skills to prepare the same.
Performance Budget.

- The expenditure allocated is based on the performance of the activities. The emphasis is laid on the efficiency of operations.

(iv) Performance Budget

- The expenditure allocated is based on the performance of the activities.
- The emphasis is laid on the efficiency of operations.
- A drawback of this method is that it measures only quantity and not quality which is rather difficult to measure as user satisfaction depends on it.

(v) Programme Budget

- It is concerned with activities. The amounts are allocated to programmes or services rendered.
- In such a case the expenditure on staffing, materials, postage etc. is to be estimated and the budget is to be prepared on the basis of programmes or services programmed.

(vi) **Planning Programming Budgeting System (PPBS)**

• Planning Programming Budgeting System is a technique, which takes into consideration the best of programme budgeting and the best of performance budgeting. Here the focus is on planning.

• The important steps in PPBS are:

- ✓ identifying the objectives of the library;
- ✓ presenting alternative ways to achieve those objectives with cost benefit ratios presented for each;
- ✓ identifying the activities that are necessary to each programme; and
- ✓ evaluating the result so that corrective actions can be taken.

(vii) **Zero-Based Budgeting (ZBB)**

Zero-Based Budgeting was developed by Peter Phyor so as to achieve greater effective planning and fiscal control. ZBB requires that costs of current and new programmes be justified at the beginning of each budgetary cycle.

Human Resource Management

Human Resource Management (HRM) is the term used to describe formal systems devised for the management of people within an organization. The responsibilities of a human resource manager fall into three major areas:

- i. staffing,
- ii. employee compensation and benefits, and
- iii. Defining/designing work.

Essentially, the purpose of HRM is to maximize the productivity of an organization by optimizing the effectiveness of its employees.

In the Libraries there are so many resources, such as regarding material, human resources and technique resources. But today human resources are acknowledged as the most valuable important asset in any organisation as well as in the libraries.

In simple words, HRM is a process of making the efficient and effective use of human resources so that the set goals are achieved.

❖ Nature

Academic library staff, until recently, was categorized into the following three levels of positions though their nomenclature may differ from library to library:

1. Professional staff
2. Semi Professional staff
3. Non-professional staff

❖ Professional Staff

Functions of Professional Staff

In a traditional library, in order to achieve its objectives, the professional staff are generally responsible for performing the following jobs and tasks:

- Book selection,
- Classification,
- Cataloguing,
- Indexing,
- Abstracting,
- Reference work and service,
- Information service,
- Bibliographic assistance,
- Information retrieval,
- User instruction.

❖ **Semi-professional staff**

Functions of Semi-Professional Staff

Some of the functions assigned to Semi-Professional Staff include the following:

- Book ordering,
- Accessioning of books,
- Cataloguing,
- Catalogue maintenance,
- Circulation,
- Interlibrary loans,
- Periodicals registration and display,
- Maintenance of issue records,
- Shelving of books and other documents,
- Preparation of books and periodicals for binding,
- Stocktaking.

❖ **Non-professional staff**

Function of Non-Professional Staff

This category of staff generally does not possess formal library training. They perform the following routine type of jobs:

- Label pasting on books and other documents,
- Shelving of books,
- Stack maintenance.

❖ **Size**

An academic library being a service agency, the quality of services it provides to its users depends upon the quality and quantity of staff it has. The number and size of the library staff depends upon many factors such as the number of students, faculties, other clientele, character and number of library collection, The number of hours the library is open for service, and so on.

The Library Committee of the UGC has recommended a formula for the strength of library staff in different sections of college and university libraries. It is based on the statistical data to be maintained by a college or university library and is to be determined roughly on the following basis:

- **Book Section:** One person for every 6,000 volumes added in a year.
- **Periodical Section:** One person for every 1,500 periodicals subscribed.
- **Documentation Section:** One person for every 30 research workers in the university
- **Technical Section:** One person for every 2,000 volumes added in a year.

- **Reference Section:** One person for every 50 readers (other than the users of text book collection) in a day.
- **Circulation Section:** One person for every 1,500 hours for which one wicket gate of the library has to be kept open in a year.
- **Maintenance Section:** One person for every 1,500 volumes newly added, and 50,000 volumes to be looked after.
- **Administrative Section:** Minimum of one library accountant, one steno-typist and one correspondence clerk.
- **Unskilled Staff:** One cleaner for every 30,000 volumes in the library, one attendant each for every 6,000 volumes add in a year, for every 500 current periodicals taken, and for each of the shifts in the Circulation Section besides unskilled and the semi-skilled workers normal to any institution.

QUALIFICATIONS

In view of the responsibilities of the library staff in different types of academic libraries, the University Grants Commission has laid down the norms about minimum qualifications for appointment of staff in university, college and school libraries.

UNIVERSITY LIBRARY

1. Librarian

- A Master's Degree in Library Science/ Information Science/ Documentation with at least 55% marks or its equivalent grade of B in the UGC seven point scale and a consistently good academic record.
- Earlier it was at least thirteen years as a Deputy Librarian in a university library or eighteen years' experience as a College Librarian. But now it is 10 years as College/Assistant Librarian Evidence of innovative library service and organization of published work.

- Desirable: A M. Phil./ Ph.D. Degree in Library Science/ Information Science/Documentation/ Archives and Manuscript-keeping.

2. Deputy Librarian

- A Master's Degree in Library Science/Information Science/Documentation with at least 55% of the marks or its equivalent grade B in the UGC seven point scale and a consistently good academic record.

- Five years experience as an Assistant University Librarian/ College Librarian.

- Evidence of innovative library services, published work and professional commitment, computerization of library.

- Desirable: A M. Phil./ Ph.D. Degree in Library Science/Information Science/Documentation/Archives and Manuscript- keeping/ computerization of library.

3. Assistant Librarian

- A Master's Degree in Library Science/Information Science/Documentation or an equivalent professional degree with at least 55% of the marks (or an equivalent grade in a point scale wherever grading system is followed) and consistently good academic record with knowledge of computerization of library.
- Qualifying in the national level test conducted for the purpose by the UGC or any other agency approved by the UGC.
- However, candidates, who are, or have been awarded Ph. D. degree in accordance with the “University Grants Commission (Minimum standards and Procedure for Award of Ph. D. Degree) Regulation 2009”, shall be exempted from the requirement of the minimum eligibility condition of NET/SLET/SET for recruitment and appointment of University Assistant Librarian/ College Librarian.

COLLEGE LIBRARY

1. Librarian

- A Master's Degree in Library Science/Information Science/Documentation or an equivalent professional degree with at least 55% of the marks (or an equivalent grade in a point scale wherever grading system is followed) and consistently good academic record with knowledge of computerization of library.
- Qualifying in the national level test conducted for the purpose by the UGC or any other agency approved by the UGC.
- However, candidates, who are, or have been awarded Ph. D. degree in accordance with the "University Grants Commission (Minimum standards and Procedure for Award of Ph. D. Degree) Regulation 2009", shall be exempted from the requirement of the minimum eligibility condition of NET/ SLET/SET for recruitment and appointment of College Librarian.

2. Assistant Librarian

- A Master's Degree in Library Science/Information Science/Documentation or an equivalent professional degree with at least 55% of the marks (or an equivalent grade in a point scale wherever grading system is followed) and consistently good academic record.
- Knowledge of computer application in library.

SCHOOL LIBRARY

- It is desired that the status of a school librarian should be the same as that of a school teacher.
- She/he should be at par with teachers having comparable qualifications, in the matter of salary and various facilities.

The minimum qualifications for appointment of school library staff should be as given below:

1. Librarian

- B.A. or B.Sc. from a recognized University with at least 50% marks.
- Degree in Library and Information Science or equivalent
- Diploma in Library Science from a recognized institute.

2. Assistant Librarian

- Higher Secondary/Senior Secondary from any recognized Board.
- Certificate Course in Library Science or Diploma in Library Science from a recognized institute.

3. Class 'D' Staff

- Senior Secondary passed from any recognized Board.
- Relevant experience of one year in a library.

Selection

Selection means making decisions about people. Out of a number of applicants for an opening, the selection committee must decide as to whom the most is qualified.

Every applicant has a right to be considered for the job opportunity without regard to race, sex, caste, religion, etc., solely on the basis of performance and qualifications.

The selection process has two basic objectives:

- (i) to predict which applicant would be the most successful if selected for the job, and
- (ii) to sell the organization and the job to the right candidate.

This procedure will help to know whether the right person is selected for a right job; otherwise, as they say that a misplaced person may ruin the organization.

❖ **Steps in selection procedure**

Steps in selection procedure are given as follows:

1. Inviting applications:

The prospective candidates from within the organization or outside the organization are called for applying for the post. Detailed job description and job specification are provided in the advertisement for the job. It attracts a large number of candidates from various areas.

2. Receiving applications:

Detailed applications are collected from the candidates which provide the necessary information about personal and professional details of a person. These applications facilitate analysis and comparison of the candidates.

3. Scrutiny of applications:

As the limit of the period within which the company is supposed to receive applications ends, the applications are sorted out. Incomplete applications get rejected; applicants with un-matching job specifications are also rejected.

4. Written tests:

As the final list of candidates becomes ready after the scrutiny of applications, the written test is conducted. This test is conducted for understanding the technical knowledge, attitude and interest of the candidates. This process is useful when the number of applicants is large.

Many times, a second chance is given to candidates to prove themselves by conducting another written test.

5. Psychological tests:

These tests are conducted individually and they help for finding out the individual quality and skill of a person. The types of psychological tests are aptitude test, intelligence test, synthetic test and personality test.

6. Personal interview:

Candidates proving themselves successful through tests are interviewed personally. The interviewers may be individual or a panel. It generally involves officers from the top management.

The candidates are asked several questions about their experience on another job, their family background, their interests, etc. They are supposed to describe their expectations from the said job. Their strengths and weaknesses are identified and noted by the interviewers which help them to take the final decision of selection.

7. Reference check:

Generally, at least two references are asked for by the company from the candidate. Reference check is a type of crosscheck for the information provided by the candidate through their application form and during the interviews.

8. Medical examination:

Physical strength and fitness of a candidate is must before they takes up the job. In-spite of good performance in tests and interviews, candidates can be rejected on the basis of their ill health.

9. Final selection:

At this step, the candidate is given the appointment letter to join the organization on a particular date. The appointment letter specifies the post, title, salary and terms of employment. Generally, initial appointment is on probation and after specific time period it becomes permanent.

10. Placement:

This is a final step. A suitable job is allocated to the appointed candidate so that they can get the whole idea about the nature of the job. They can get adjusted to the job and perform well in future with all capacities and strengths.

Recruitment

Recruiting is the process of attracting job applicants possessing necessary skills, abilities, knowledge and attitudes required to fulfill the objectives of the library.

The aim of recruitment should be to secure the best candidate for a given job. Process of Recruitment is completed in the following step:

1. **Planning of recruitment programme**

- The planning of the recruitment programme has to be done with reference to a proper assessment of the staff requirements in terms of the number of new posts and filling up existing vacancy of the library.

- This should also be ensured that the newly created posts have been cleared appropriate authorities, After that the calling for applications should be done through the advertisement in newspapers properly.

- Advertisement should clearly give all related basic about the posts.
- The application forms to be filled by the applicants should carefully be designed to get all the particulars of the candidates.
- The selection committee constituted for selection of dates for meetings has to be taken care of well in advance. Once the last date is crossed, the selection process starts.

2. Selection of the Candidates

- The primary purpose of selection is to achieve a good match between the qualification and experience of the candidate selected and the requirements of the post.
- As the wrong selection, will only create problems to the library, so the successful matching of a candidate to a post is very important

The selection process in the libraries generally includes :

- analysis of the data obtained through application forms,
- selection tests,
- personal interviews,
- verification of post performance and background of the selected candidates and
- finally issuing the appointment orders.

3. Induction of the Appointed Persons

•Induction of the newly appointed persons in the libraries is of considerable importance purpose of initiation of new comers into the libraries is to instill confidence into them to fit into new environment of the library, motivate them to give their best and to participate in the Work of the libraries.

•This objective is achieved through well designed various orientating programmes.

Training

- When the new recruit joins duty in the library, he/she is not well conversant with either the new environment or the new people.
- For the new employee the first few days are therefore crucial. During this period opinions and attitudes are formed about the library as well as co-workers.
- The orientation of the new staff member with the new environment will be very useful as it may help to reduce the anxiety and make her/him familiar with the job condition and fellow workers.
- For the new staff some training is essential to make him/her understand the perspectives, job objectives, job requirements, functions, etc. with regard to the objectives and mission of the organization.

❖ Types of Training

1. On-the-job Training

- It means that the new staff member undergoes training in the actual work situation.
- It may also include apprenticeship, wherein the new employee undergoes training under a highly skilled and experienced senior worker.

2. In-Service Training

- Some university and other large libraries organize programme for in-service training of professional and non-professional employees. This method may include
 - Class room lectures,
 - seminars,
 - slide shows,
 - Audio-visual aids, etc.

3. Visits to other Libraries

- In addition to the above, the employees should be provided opportunities to visit and learn about various working conditions and routine of different types of libraries.
- Such visits can broaden the outlook of the new employees to some extent and motivate them to improve their own skills which are useful for their parent institution.

Therefore, a proper training of new staff would help developing his skills further and make him more competent for the library. Training ensures quality in work and progress of library.

Responsibilities and Duties

Responsibilities and Duties of librarian

The main duties and responsibilities of the librarians are as follows:

- **Policy Formulation:** The librarian is to formulate and administer policies, rules and regulation for the purpose of securing the most complete use of the library and to participate in the formulation of educational policies of the parent organization.
- **Ex Officio Member:** The librarian acts as an ex officio member of all the academic bodies of the parent organization.
- **Library Budget:** The librarian has the responsibility to prepare and execute the annual budget of the library.

•**Library Documents:** He is responsible for the entire professional job related to selection, acquisition, classification

•**Library Service:** The librarian is also responsible for providing the various types of services such as CAS, SDI, Reference and also for creating reading habit, classification, cataloguing and maintenance of the library documents

•**Secretary of Library Committee:** He acts as a secretary of the library committee where he/she is responsible in preparing the agenda for the committee meeting by giving facts of each item, to issue the library committee meeting notice and to keep the minutes of the library committee meeting.

The librarian is also responsible for keeping the library committee well informed about the day to day happening of the library.

COMPETENCY DEVELOPMENT

- The term "competence" first appeared in an article authored by R.W. White in 1959 as a concept for performance motivation.
- The ability to do something successfully or efficiently is known as competency.
- The dynamic environment of the library and information sector stresses the need for academic library professionals to remain flexible and adaptable to change.
- To meet this need, they have to ensure that their knowledge, competencies and skills meet the needs of the community which they serve. Similarly, employers have a responsibility to provide opportunities for library and information professionals to keep their skills, knowledge and competencies up-to-date.

❖ Important library management competencies are:

- (a) Effective financial management using sound business and financial judgments.
- (b) Use appropriate business and management approaches to communicate the library's value to university administrators.
- (c) Promote the library as a center of lifelong learning for the community.
- (d) Maintain good public relations through communication and promotion of library's services and needs to all stakeholders.
- (e) Maintain a user friendly and safe physical environment to encourage library use by the academic community.

- (f) Maintain an awareness of current law and policy that may impact library services, administration and up-to-date policies/procedures for staff communication.
- (g) Understand the basic principles of marketing and how they apply to library services.
- (h) The librarian has to assist the professional and personal development of people working Within the information organization by creating development plans for staff to gain necessary competencies (knowledge, skills, abilities, behavior, attitudes).
- (i) Management of human resources effectively to increase productivity which is highly important to achieve the library's mission and goals.

❖ **Professional Competencies for Librarians**

Continuing Professional Development is an essential part of the modern library information professional's successful career planning & prospects.

The LIS Professionals with better personal, professional and technological competencies have great opportunities and bright future in the modern libraries.

Some of the unique competencies of the LIS Professionals are:

1. Technical Skills
2. Time Management Skills
3. Presentation Skills
4. Communication Skills
5. Evaluation and Assessment Skills
6. Managerial skills
7. Knowledge of Policies, Procedures, Issues and Standards
8. Knowledge of Information Sources & Services
9. Commitment to Life-Long Learning
10. Other Skills

Conclusion

➤ Ever since the origin of higher education and its institutes, many changes have taken place politically, economically, socially, technologically, and culturally which have directly or indirectly effected higher education and its institutions. Financial management is a key tool in controlling and directing the resources of any business organization

➤ In the Libraries there are so many resources, such as regarding material, human resources and technique resources. But today human resources are acknowledged as the most valuable important asset in any organisation as well as in the libraries.

In simple words, HRM is a process of making the efficient and effective use of human resources so that the set goals are achieved.

➤ Funds have and will always remain the backbone of any institution. To keep pace with the changing time library services have to be revamped from time to time. For this purpose more funds are needed and these will have to be managed.

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Financial management (allocation, accounting, auditing)

<http://epgp.inflibnet.ac.in/ahl.php?csrno=21>

Financial management in University Libraries

<http://epgp.inflibnet.ac.in/ahl.php?csrno=21>