Chapter IV

Innovative Human Resource Management practices of Reliance Communication Ltd.

Introduction

The earlier chapter which is concerned with the details of various sectors of Reliance Industries Ltd and Anil Dhirubhai Ambani Group with special reference to Reliance Communication. Therefore, the present chapter deals with the explanation of the various innovative human resource practices of Reliance Communication Ltd. Reliance communication is adopting various innovative human resource practices after the due research and careful analysis, leading to maximum support and satisfaction of the employees. The satisfied and motivated workforce hence is responsible for maximum productivity and optimum utilization of the resources thus creating a competitive advantage for the organization. Some of the important human resource management practices followed by Reliance communication are as follows:

Joining Kit & Formalities

On joining an employee is handed over an Employee Joining Kit to facilitate the filling of necessary forms for benefit and enrollment etc as given below:
 Provident Fund - In case of an employee wishes to transfer the PF accumulation from the previous company then the employee is required to fill up the PF Transfer form. For joining Reliance PF Trust, the PF Nomination form is to be filled up.

 Superannuation - In case an employee wishes to transfer the Superannuation accumulations from the previous employer, then he has to fill up the Superannuation Transfer Form. For joining Reliance Superannuation Trust, the Superannuation Nomination Form is to be filled up.

 Gratuity Nomination Form for joining Reliance Gratuity Trust.

 Medical - The employee is required to fill up the Personal Accident Insurance converge nomination forms. Hospitalization Insurance coverage forms for family members (applicable for only L3/L4) and is required to fill up Health Declaration form for dependant parents for coverage under hospitalization and medical expenses insurance etc.

 **The Joining Kit also consist of the following forms**

 - Personal History Form
 - Administration Requisition Forms for allotment of Work Space, PC, Telephone Extension, Email Id and Internet connectivity.

 **Employee Code Number**

 On joining an employee is given an employee code number which should be used and referred for all official purposes.
Identity Card

On joining, an employee gets an Identity Card, which has to be always displayed by employee while on duty. And in case the card is lost, the matter should be immediately reported to the issuing authority.

Work Space

Allocation of workspace is based on the availability of apace and the following specifications:

<table>
<thead>
<tr>
<th>Work Level</th>
<th>Work Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>L 1</td>
<td>Cabin</td>
</tr>
<tr>
<td>L 2</td>
<td>Cubicle</td>
</tr>
<tr>
<td>L 3</td>
<td>Work Station</td>
</tr>
<tr>
<td>L 4</td>
<td>Work Station</td>
</tr>
</tbody>
</table>

Desktop Personal Computer (PC)

All permanent employees, whose role requires them to be available at their office desk and whose job does not involve large field travel on a day to day basis, are provided with a desktop PC at their workstation and employees on field jobs like the Field Executive, PCs are allotted on 1:6 ratios.

Laptop Allotment

Laptops are allotted strictly on a need basis to an individual. Wherever for technical and work related reasons laptop is required, the same will be made available. The laptops will not be viewed as a perquisite or work related automatic entitlement.
However, a work group, department or team of related functionaries may for the collective use of the group, laptop may allotted and then shared and used by all members of the group.

Email

On joining, employee is issued email id configured as

configuredasfirstname_lastname@ril.com

EPBAX Extensions

On joining, an employee is required to contact the IT Helpdesk to receive the EPBAX extension at his workplace. Cubicles and cabins are provided with an individual phone while a single EPBAX line is shared between two users in a workstation. However, as per need an individual EPBAX connection may be provided.

For use of phones for STD and ISD use, an employee is required an authorization code, which will be issued on approval of concerned Departmental Head.

Bank Account

Reliance Communication has tied up with HDFC, ICICI and UTI for zero-balance account facility an employee can choose the bank employee of his choice as per his convenience. The forms for the Savings Account may be collected from Human Resource Commercial. After receiving the bank account number, the same must be communicated to the respective Human Resource Coordinator for bank transfer of salary. These banks in addition to salary disbursements also
offer from time to time some special schemes of personal loans, housing loans, and zero account facilities etc to Reliance employees.

**Income Tax Exemptions**

By making suitable investments, in various schemes, such as LIC Premium, PF Contribution, NSC and others employees can avail a tax rebate to the extent of 20% of the value of the investments.

Following are the items, which will be deducted from Gross Total Income:

- Interest on Borrowed capital for House Property (Capital portion is eligible for rebate).
- Interest on LIC/ UTI pension fund (Capital portion is eligible for rebate)
- Mediclaim (Capital portion is eligible for rebate)
- Medical Treatment for handicapped dependants (Capital portion is eligible for rebate)

On joining employee must fill up the Income Tax proposed Investment sheet for the applicable accounting year. Subsequently, he will have to produce the documents supporting the investments made by January 15th of concerned accounting year.

In addition, one can opt for exemption under the following heads up to the maximum limits as specified below subject to the production of bills in support of actual incurrence of the same.

Fuel Reimbursement (for Company Lease Car) upto Rs.86000/-p.a.

Vehicle Maintenance (for company lease car) upto RS.25000/- p.a.
Medical Allowance upto Rs.15000/-p.a.

Office Wear Allowance upto Rs.30000/-p.a.

Child Education Allowance up to Rs.2400/-p.a. (Rs.100 per child per month subject to a maximum of 2 children)

Conveyance Allowance upto Rs.9600/-p.a.

LTA upto 2 months of basic salary

HRA upto 50% of basic salary

Sodexho Food Passes upto Rs.15600/-p.a.

Sodexho Gift Passes upto Rs.5000/-p.a.

**Employees Attendance**

- The employees are required to record their attendance, either manually or electronically as per the existing systems on all working days.

- In locations where electronic systems have been implemented, the Identity cards are used as Swipe cards for registering daily attendance.

**Induction of new Employees**

A two days induction program is offered to all new employees. This program provides information on the history of Reliance Group, the fundamentals of the telecomm business and introduces technologies and key concepts of the business. The program shares the company's strategic objectives, organization structure and processes and systems. Beside this, presentations are made from representatives from various business units.
**Probation & Confirmation**

The purpose of a probationary period is crucial for both employee and employee’s superior to determine that employee is able to perform the duties of the job satisfactorily. Employee might think of this time as the time to allow him to demonstrate his skills and capabilities in the new job and provides an opportunity to his superior to evaluate him as he learn the work of the assignment.

The probation period for all the employees would be 6 months from their date of joining.

The appraisal is done by the immediate superior and reviewed by the Departmental Head. The recommendations of the reviewer are finally assessed by the Business Entity or Functional Head. If the employee is supposed to report to more than one Supervisor or Manager during the probationary period, his performance will be jointly assessed by the Supervisor or Manager concerned. The immediate superior shall share the appraisal with the concerned employee after the same has been reviewed by his Departmental Head, Business Entity or Functional Head.

The employees are assessed on the responsibilities handled during the probationary period and also on the following attributes:

- Communication
- Job Knowledge
- Quantity of work
- Quality of Work
- Initiative
Interpersonal Skills
Problem Solving Ability
Cost Consciousness
Attitude towards Organization / Work / Authority
Attendance & Punctuality

On receipt of confirmation from immediate superior and Reviewing Authority, employee will be issued a confirmation letter and in case of unsatisfactory performance at work, the reviewer in consultation with Appraiser, Circle or Business Entity Head and concerned human resource Representative may decide to extent the probation period for further 3 to 6 months. On completion of initial probation period, till such time that intimation in writing regarding confirmation is issued, the employee is supposed to continue on probation period.

Employees on Deputation

Due to business exigencies and requirements, employee may require to be posted to other Circles, Business Entity or Locations other than employee’s primary base location, circle or business Entity. If such posting requires the employee to relocate from their base location beyond 29 days, then it is defined as Deputation period.

In such case, employee may be required to maintain parallel household although on a smaller scale at the place of deputation and the company provides for Deputation Allowance to meet such incidental cost.

While on deputation, the employee may be entitled to the following benefits:
1. Stay - Company will provide stay arrangements at the place of deputation as per the entitlements mentioned in the Domestic Travel section rules.

2. Travel - The employee will be entitled for travel as per the entitlements specified in the Domestic Travel section. However, over and above this, if they are sent on deputation for more than 60 days, they will be entitled to visit their family at the base location once in a month.

3. Deputation Allowance (Per Month) - A deputation allowance will be given during the deputation period as per the table given below. In order to avail this allowance, a claim form has to be submitted at the end of every calendar month to the human resource commercial department of the location of which the employee have been deputed. This amount would then be credited to his bank account directly.
Table 4.1 showing the distribution of deputation allowance for various groups in different conditions.

<table>
<thead>
<tr>
<th>Work Level</th>
<th>Condition – 1</th>
<th>Condition -2</th>
<th>Condition-3</th>
<th>Miscellaneous</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The place of stay has a Lodging facility (free) and Catering facility is present but chargeable.</td>
<td>The place of stay has a Lodging facility (free), but does not have catering facility.</td>
<td>Both the lodging and catering facilities are provided free of charge.</td>
<td>Expenses (Applicable in all cases)</td>
</tr>
<tr>
<td>L1/L2</td>
<td>Rs. 4000</td>
<td>Rs. 5000</td>
<td>Rs. 1000</td>
<td>Rs. 1000</td>
</tr>
<tr>
<td>L3</td>
<td>Rs. 3500</td>
<td>Rs. 4500</td>
<td>Rs. 875</td>
<td>Rs. 875</td>
</tr>
<tr>
<td>L4</td>
<td>Rs. 3000</td>
<td>Rs. 4000</td>
<td>Rs. 750</td>
<td>Rs. 750</td>
</tr>
</tbody>
</table>

Source: Compiled by the researcher on the basis of primary data collected.

Tax implication - Since Deputation Allowance is being paid in the form of reimbursement, the same will not be attract any Income Tax. Bills are required for expenses falling under conditions 1, 2 & 3 but are not required for miscellaneous expenses.

Transfer

As per the needs and benefits of the organization and the personnel, employees may be transferred on a permanent basis from -

(i) One Circle or Business Entity to another Circle or Business Entity or

(ii) One location of a Circle or Business Entity to another location in the same Circle or Business Entity.

A departmental head initiates the request for transfer of an employee and forwards the same to the concerned Circle, Business Entity or human resource representative.
Transfer Entitlements

1. Travel Reimbursement

- Travel reimbursement will include expenses towards traveling of self and family (spouse and dependent children) to the joining location. The entitlements pertaining to the mode of travel are as follows:

Table 4.2 showing the entitlements pertaining to the mode of travel

<table>
<thead>
<tr>
<th>Work Level</th>
<th>Air</th>
<th>Rail</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1</td>
<td>Executive*/Economy Class</td>
<td>First AC</td>
</tr>
<tr>
<td>L2</td>
<td>Economy Class</td>
<td>First AC</td>
</tr>
<tr>
<td>L3</td>
<td>NA</td>
<td>Second AC</td>
</tr>
<tr>
<td>L4</td>
<td>NA</td>
<td>1st Class</td>
</tr>
</tbody>
</table>

Source: Compiled by the researcher on the basis of primary data collected.

* Air travel by Executive Class will be allowed only to specific employees in L1 who have been offered this entitlement at the time of appointment as approved by Head-Corporate human resource or other authorized persons.

- The employee have to make own arrangements for tickets as per above mentioned entitlements.

- For reimbursement, they are required to enter the claim details in ESS (please see page 42 for details). Then take a printout of the claim voucher, attach the original tickets, ticket jackets and boarding cards in case of air travel and forward it to concerned Head of the Department for authorization. Submit the approved claim voucher to Commercial or Payroll department. The payment will be disbursed to bank account transfer or Demand Draft.
Reliance Communication believes in treating all employees separating from the company with utmost dignity.

**Resignation**

Resignation means that an employee is voluntarily leaving the services of the company for professional or personal reasons. The employee must serve a written resignation, mentioning the reasons for leaving and the relieving date to his departmental head who will discuss and obtain the approval from the concerned business Entity or Functional Head. The accepted copy of the resignation letter with the approved relieving date must be forwarded to the respective human resource department.

Confirmed employees are required to give 3 months notice in advance and employees on probation are required to provide 15 days notice in advance before leaving the organization.

**Superannuation of an employee**

An employee on attaining the age of 58 years will superannuate from the service of the company.

**Expiry of Training or contract of an employee.**

Employee under training or contract for a specific time bound job is reviewed for conclusion or extension at the end of the prescribed time period. The departmental head evaluate the performance of the employee and also the requirement of the employee to further undertake the prescribed activities or job.
**Job Abandonment**

If an employee remains absent without leave or remains absent beyond the period of leave originally granted or subsequently extended, he or she shall be considered as having voluntarily terminated from his or her employment without giving any notice unless he or she:

i) Returns to work within 8 days from the commencement of such absence and

ii) Gives and explanation to the satisfaction of the Management regarding such absence.

**Termination**

Termination is an undesirable outcome for both the employee and the Company, but may be necessary if the employee.

- Violated the Company's policy.
- Is unable to meet the Company's performance standards.

**Exit Interview**

Prior to leaving the organization, an exit interview is conducted to gather feedback and recommendations of the outgoing employee. Exit interview is a one-to-one discussion where voluntary views and suggestions are taken from the outgoing employee on what his or her expectations had been at the time of joining the company. The Circle or Entity human resource manager facilitates and arranges for the exit interview.
Full & Final Settlement

On receiving the separation checklist from human resource Commercial, the employee must obtain the signatures of all concerned and return it to the human resource Commercial department. The employee is required to settle all financial obligations and return in his or her identification card, keys and any other property, which he or she had been issued. The full and final amount is paid to the employee after recovering all advances and outstanding dues, if any.

Compensation to Employees

The company's compensation structure follows the Cost of the Company (CTC) structure that reflects the total cost of an employee to the organization. It is so designed so as to provide flexibility to the employees in structuring their benefit package. It also conforms to the regulatory framework i. e. Income Tax Rules and other applicable rules. The CTC structure also aims at initiating a performance driven culture in the organization by virtue of the variable component, Performance Linked Incentive.

The main components under cost to Company Compensation Structure are:

1. **Base Pay** - This constitutes up to 30% of the total annual compensation and includes -
   - Basic Salary
   - Employer's contribution to the Provident Fund @ 12% of Basic Salary.
Employer's contribution to the Company's Gratuity Fund @ 4.81 % of Basic Salary.

a) Provident Fund

The Company deducts 12% of the employee's basic salary and makes an equal contribution. Both of these are remitted on a monthly basis to the company's PF Trust. A part of the company's PF contribution is deposited to the Employees PF Pension Fund, to provide employees with pension on retirement or after completing a specified period of service.

The employees are allowed to take loans for specific purposes (e.g. marriage of self & housing) against their Provident Fund accumulations, as per the provisions of the Provident Fund Act.

In case of separation prior to retirement, they will get their Provident Fund and Pension Fund accumulations transferred to their next employer. If they are not taking up further employment, they may claim the PF accumulations after a waiting period of 60 days. In case they take up further employment overseas, the waiting period of 60 days may be waived.

As per Income Tax Rules, 20% of the contribution made by them to Provident Fund can be claimed as a deduction from the gross tax payable, subject to a maximum of Rs.60000 under section 88 of Income Tax Act 1962. The contribution made by the Company on employees’ behalf does not attract tax.
b) Gratuity

All employees who have completed 5 years' continuous service with the Company are eligible to get gratuity on separation from the company. However, eligibility for contribution to the Gratuity Trust or Fund commences from days 1 of employment.

Gratuity is calculated as under:

Last Drawn Basic Salary / 26 days* 15days* No. of Completed years of Service.

In the case of death, the minimum service requirement of 5 years does not apply. Further, the Gratuity amount will be calculated as if the employee was in service till his or her Normal Retirement date based on the last drawn basic.

For the purpose of calculating Gratuity, periods of service greater than 6 months will be considered as equivalent to 1 year and less than 6 months will not be counted.

In case, the employee separates before the period of 5 years, the company’s contribution to their gratuity fund shall be paid to them as an ex-gratia which is subject to tax treatment.

As per Income Tax Rules, Gratuity is not taxable up to the limits prescribed in the Payment of Gratuity Act viz. Gratuity calculated at the rate of 15 days' basic for each completed year of service subject to a maximum of Rs 350,000. Any amount paid in addition to this will attract tax.
c) Superannuation

Contribution to Superannuation scheme is optional. The minimum an employee can choose is 13% of basic salary and the maximum is 15% of basic salary.

2. Choice Pay - This is the second component of the CTC based compensation structure. The proportion of the CTC that is classified as Choice Pay depends on the work level of the employee.

Choice Pay gives flexibility in structuring the allowances that suit the employees’ requirements under the following heads:

- Company Owned Housing/ Company Leased Accommodation
- Leased Car Facility
- Fuel Expense and Maintenance Reimbursement
- Medical Allowance
- Leave Travel Assistance
- Children Education Allowance
- Conveyance (for employees who do not opt for company car)
- House Rent Allowance
- Special Personal Allowance
- Office Wear Allowance
a) **Company Owned Housing or Company Leased Accommodation**

Company will assist the employees in securing suitable residential accommodation by extending facility for Company Lease, as well as defraying certain associated expenses. (Higher deposits, rental etc.)

**Table 4.3 shows the entitlements of Security Deposit that may be made available:**

<table>
<thead>
<tr>
<th>Work Level</th>
<th>Type</th>
<th>Ceiling for Security Deposits (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1</td>
<td>4 BHK</td>
<td>3,00,000/-</td>
</tr>
<tr>
<td></td>
<td>3 BHK</td>
<td>1,50,000/-</td>
</tr>
<tr>
<td>L2</td>
<td>3 BHK</td>
<td>1,20,000/-</td>
</tr>
<tr>
<td></td>
<td>2 BHK</td>
<td>1,00,0001/-</td>
</tr>
<tr>
<td>L3</td>
<td>1 BHK</td>
<td>8,000/-</td>
</tr>
</tbody>
</table>

*Source: Compiled by the researcher on the basis of primary data collected.*

No deposit will be paid if parents, spouse or relatives of the concerned employee owns the house.

Employees are required to identify a suitable house and submit the proposal to human resource Commercial. They must directly negotiate with the vendor (House owner) and agree on an acceptable rental charge and deposit. They have to collect details of the address, the plinth area of the house, the rental, the deposit and any other expenses that may be incurred towards lease and maintenance of the house. This information must be provided to human resource Commercial to sign a Standard Lease Agreement with the vendor.
b) **Leased Car Facility**

For availing the leased car facility the employees are required to choose a car, from the showroom of a car dealer, who is among the approved list of dealers of Company. They will get discounted rates from the dealer, which are pre-negotiated by the company. They will need to sign a lease agreement with the car finance company.

Company will pay the lease rentals to the Finance Company once the vehicle is delivered to them. The car will remain in the name of Finance Company, till it is transferred to them.

The Primary Lease period will be for four years, with an option to purchase the vehicle at a residual value of 20% of the original purchase price.

The purchase value of the car will include all standard accessories, Lifetime road tax, registration and other charges.

They will be entitled to another car only on completion of four years from purchase of the first car.

Fuel and maintenance of the vehicle will be employees’ responsibility and expenses incurred towards them will be reimbursed under the Fuel Reimbursement and Vehicle Maintenance Facility.

As per Income Tax Rules, since the Company is hiring the car for the sole use of the employee, there will be a perk value to the benefit, which will attract tax. The tax payable will depend on the engine capacity of the car and whether a driver has been hired.

The tax perquisite value is as under:
Table 4.4 showing the tax perquisite value

<table>
<thead>
<tr>
<th>Perk Value</th>
<th>Engine</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Below 1.6 cc</td>
</tr>
<tr>
<td>Car Fuel Expenses (p.m.)</td>
<td>Rs. 1200/-</td>
</tr>
<tr>
<td>Maintenance (p.a.)</td>
<td>Rs. 400/-</td>
</tr>
</tbody>
</table>

Source: Compiled by the researcher on the basis of primary data collected.

If employees resign or separate from the company, before the expiry of the primary lease period of 4 years, they will be obligated to take over the lease from the company or arrange to foreclose the lease with the finance company. The company shall be under no obligation to continue with the lease or bear any penal charges for foreclosure of the lease.

c) Fuel & Vehicle Maintenance Reimbursement

All employees who have opted for the Lease Car Facility Scheme are covered under this scheme. Employees who wish to use their Self-Owned vehicles will also given Fuel and Vehicle Maintenance reimbursements. However such reimbursements shall not have any tax exemptions and the entire amount shall be taxable.

Maximum permissible amounts at all level towards Fuel Reimbursement and Vehicle Maintenance is Fuel Reimbursement - Rs. 86,000/- per annum

Vehicle Maintenance - Rs.25,000/- per annum

All the employees in work levels L 1 and L2, who opt for Leased Car as one of the elements of Choice Pay can choose Rs.25,000/- as one
time payment towards purchase of accessories, subject to limits within the Choice-Pay.

**Tax Implication - Company Lease Car**

As per Income Tax Rules tax implication is limited to the charging of perquisites (Given as in the table above) in the computation of the tax liability of the employee.

**Tax Implication - Employee Owned Car**

As per Income Tax Rules where running and maintenance charges are paid for by the company, and where complete details of travel and official use are available, such amounts shall not be taxable as perquisite. In any other case 100% of the amount reimbursed by the company, as reduced by the standard perquisite value stated above shall be taxable.

d) **Children's Education Allowance (CEA)**

**Details**: To meet the expenses incurred by the employees towards the education expenses of their children.

**Maximum**: Upto Rs. 100/- per child per month subject to a maximum of 2 children

**Tax Implication**: The portion of RS.2400/-that is supported by relevant bills is exempt from the incidence of tax.

e) **Office Wear" Allowance (OWA)**

**Details**: To meet the expenditure incurred by the employees towards purchase of clothing worn at the workplace.

**Maximum**: Upto RS.3000/- per annum
**Tax Implication:** The portion of RS.30000/- that is supported by relevant bills is exempt from incidence of tax.

f) **Leave Travel Assistance (LTA)**

Details - LTA refers to the reimbursement that the Company provides towards the expenses incurred by the employees on vacation travel with their families to any place within India. There are certain qualifying criterions for claiming LTA. The details are below:

- Employees may avail LTA only after their confirmation and the completion of one year of service in the company.
- Employees must necessarily take 5 days of Privilege Leave.
- The family for this purpose included spouse, unmarried dependent children up to two only, parents and dependent brothers, and sisters.
- No advance is given towards LTA. It must be claimed as a reimbursement against actual bills and travel documents.
- The mode of travel may be either Air (Economy Class) with a national carrier or Train (Class - as per choice of employee). Car Hire charges are admissible only in those cases where public transport is not available.
- Only travel bill are compensated for Boarding and Lodging expenses are not to be included for claim under LTA.

**Maximum:** Upto two month's basic salary.

**Tax Implication:** LTA is taxable only 2 times in a block of 4 calendar years. For the purpose of tax computation, the 4 year clocks are January 2002 to December 2005 and January 2006 to December 2009.
Tax benefit is available only if travel is undertaken either by Air-(Economy Class) with a national carrier or Train (Any class) or any other public transports for the shortest route to the destination. Expenses reimbursed in excess of this amount, if any will attract tax.

h) Medical Allowance

Details: The expenses incurred by the employees to meet health related expenditures, such as medicines, doctor's fees, etc, on them and their family members.

Maximum: Upto Rs.150000 per annum

Tax Implication: The portion of Rs. 15,000/- that is supported by relevant bills is exempt from the incidence of tax.

i) Conveyance Allowance

Details: The expenses incurred by the employees for traveling from their residence to the office at the base location. However this option can be availed only if employees are not availing the lease car scheme.

Maximum: Upto RS.9,600/- per annum.

Tax Implication: Bills are not required in support of the same and the whole amount is exempted.

j) Sodexho Food and Gift Passes

Details: Sodexho Pass Meal Vouchers are food coupons that can be" exchanged for food and beverages at over 10000 affiliated establishments across India.
However once purchased, these coupons cannot be redeemed for cash. Similarly, the Sodexho Pass Gift Vouchers can be used to buy daily necessities at over 6000 affiliated establishments across India.

**Maximum:** Food Passes- upto RS.15,600/- p.a.

Gift Coupons - upto Rs. 5000/- p.a.

**Tax Implication:** The above specified amounts are completely exempted from Tax.

**k) House Rent Allowance (HRA)**

**Details:**

- House Rent Allowance is given to the employees to meet expenses incurred on account of rented accommodation.

- Quantum of HRA is upto a maximum of 50% of the Basic Salary. This amount will be paid along with the salary, irrespective of the actual rent paid.

- At the beginning of the year, employees should provide human resource Commercial, details of the rent paid, the address of the accommodation, the name and address of the house owner. Actual rent receipts for the months of April and March of the relevant financial year should also be provided.

- HRA and company leased accommodation are mutually exclusive options. Hence HRA may be taken only if employees are not opting for CLA and vise versa.

**Maximum:** Upto 50% of Basic Salary
**Tax Implication:** The amount of HRA that is exempted from tax is the least of the following:

a) Actual HRA received

b) Rent Paid - 10% of salary

c) 50% of basic salary in Mumbai, Delhi, Calcutta and Chennai or 40% in all other cities.

House rent allowance paid to employees who do not live in rented accommodation will be fully taxable.

1) **Special Personal Allowance (SPA)**

*Details:* After employees have made their selection from the above mentioned options or in case they do not wish to avail any of the other options, the balance amount of their choice pay would be termed as the Special Personal Allowance.

*Maximum:* Any amount subject to Choice Pay Cap.

*Tax Implication:* The amount of Special Personal Allowance is taxable.

Please note that a declaration has to be made by the employees at the beginning of the financial year or within 7 days of joining the company regarding the amounts they will be claiming under each expense mentioned above. All bills or supporting documents are to be provided at the end of the financial year by 15th of January.

2. **Performance Linked Incentive (PLI)**

This is the third component of the CTC based Compensation Structure. PLI represents employee’s potential earnings and is paid upon
achieving the required tasks and results. The proportion of CTC, which is earmarked as PLI, varies with the level of the employee.

➢ The actual PLI paid to the employees is a part of their performance appraisal rating.

➢ PLI is paid on an annual basis aligning with the appraisal cycle from time to time.

*Tax Implication:* The entire amount paid under this head will be taxable.

**Medical Insurance**

The company has the following medical or hospitalization or accident insurance schemes:

➢ Group Personal Accident Scheme

➢ Hospitalization for self and family

➢ Hospitalization for Dependant Parents

**Group Personal Accident Insurance Policy**

This is an automatic entitlement for all the employees of Reliance Communication. This will operate only for self Spouses, dependants will not be covered. The amount of coverage will vary as per the employees work level, which is as follows:
Table 4.5 shows the various amounts of medical insurance available to various groups.

<table>
<thead>
<tr>
<th>Work Level</th>
<th>Sum Insured for Clause No. (1-5)</th>
<th>Sum Insured for Temporary total Disablement Clause No. (clause 6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1</td>
<td>40,00,000</td>
<td>10,00,000</td>
</tr>
<tr>
<td>L2</td>
<td>12,00,000</td>
<td>5,00,000</td>
</tr>
<tr>
<td>L3</td>
<td>6,00,000</td>
<td>3,00,000</td>
</tr>
<tr>
<td>L4</td>
<td>4,50,000</td>
<td>1,50,000</td>
</tr>
</tbody>
</table>

Source: Compiled by the researcher on the basis of primary data collected

Clause No.: 1

1. Death 100% of Sum Insured
2. Permanent Total Disablement 100% of Sum Insured
3. Loss of two limbs/Two eyes or one limb and one eye. 100% of Sum Insured
4. Loss of one limb or one eye 50% of Sum Insured
5. Permanent Partial disablement Varies from 1% to 75% of policy. Sum Insured as per
6. Temporary total Disablement 1% of Capital Sum Insured per week subject to a maximum of Rs.5000 per week for a maximum period of 100 weeks.
Hospitalization:

Upon joining the organization, the employees have to indicate in the Choice Pay Form if they want to be covered under this scheme.

The entitlements will be as follows

For L1 & L2

For self, spouse and children (upto 2) will be as actual, medical claims have to be entered in ESS. A printout of the same with supporting documents (i.e. Cash memos or receipts supported by prescriptions of Registered Medical Practitioner) has to be shown to claim reimbursement. If there are no supporting documents the above expenses will be considered as an allowance subject to Tax.

The above levels can opt to have their dependent parents covered. In such a case the amount of insurance coverage will be as follows:

Table 4.6 showing the amount of medical insurance to various ailments

<table>
<thead>
<tr>
<th>Minor Ailment</th>
<th>Major Ailment</th>
<th>Maximum</th>
<th>Dental</th>
<th>Eye</th>
</tr>
</thead>
<tbody>
<tr>
<td>40,000</td>
<td>40,000</td>
<td>80000</td>
<td>1500</td>
<td>500</td>
</tr>
</tbody>
</table>

Source: Compiled by the researcher on the basis of primary data collected

If for a major ailment the expenses go above Rs.40000/-then the sum available in Minor can be used. Here 40000+40000=80000 is the maximum amount that can be issued for a major ailment.

Major Ailments as per the List of the Insurance Company are:

- Renal Diseases
- Cerebral or Vascular Diseases
- Open & Close Heart Surgery
- Kidney transplant & dialysis
- Malignancy
- T.B.
- Encephalitis Viral
- Neuro Surgery
- Total replacement of joints.

**For 1.3 & 1.4:**

The coverage is for self, spouse, two children and dependent parents which is as follows:

**Table 4.7 showing the amount of medical insurance**

<table>
<thead>
<tr>
<th>Minor Ailment</th>
<th>Major Ailment</th>
<th>Maximum</th>
<th>Dental</th>
<th>Eye</th>
<th>Maternity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sum Insured</td>
<td>30,000</td>
<td>30,000</td>
<td>60000</td>
<td>1000</td>
<td>300</td>
</tr>
</tbody>
</table>

Source: Compiled by the researcher on the basis of primary data collected

If for a major ailment the expenses go above RS.30000- then the sum available in Minor can be used. Here 30000+30000=60000 is the maximum amount that can be used for a major ailment.

Claim for maternity cab be made for delivery of child born after 9 months from the date of joining of the employee. This covers the expenses of delivery only.
Treatment in Networked Hospitals maintained by Paramount Health Management (PHM)

Opting for medical insurance as part of employees CTC, for this employees get an identity card and along with a card they also get a list of Network Hospitals, maintained by Paramount Health Management (PHM). This card should be produced at the Nursing Home reception counter on the day of admission to the hospital.

In case the expenses incurred for treatment exceeds the guaranteed amount, the difference between the final hospital bill and the amount guaranteed will have to be borne by the employees and paid directly to the hospital.

On discharging from the hospital the employees should send the following documents to PHM within 7 days after discharge.

- Insurance Claim form duly filled.
- Discharge Card! Summary
- Reports of all investigations
- Prescriptions and bills
- Pre hospitalization treatment bills if any, along with prescriptions.

Pre and post hospitalization of 30 days only is covered i.e. 30 days prior to hospitalization, stay in the hospital and 30 days post-hospitalization. However, total expenses incurred should not exceed the specified limits. Prescriptions and bills of such services should be submitted to PHM along with Insurance Claim form duly signed by the employees.
For Treatment in a Non-Network Hospital

The employees have to pay the bills and claim reimbursement after producing the documents in original to PHM, and then they will get paid within 45-60 days after submission of documents.

Charges for the following facilities will not be covered under health plan

Telephone / Fax

- Food & beverages for relative
- Barber
- Ambulance
- External implants and accessories such as Crutches, Spectacles etc.

Telephone/ Mobile Phone Allotment

Residential Phone/ Cellular Phone allotment is strictly based on the role and responsibility level. The telephone connections provided by the company will be in the name of the company.

a) Residential Telephones

- All employees in work level L I would be provided a telephone with STD connection at their residence.
- Employees at other work levels will be provided telephone at their residence depending on their job or role requirements as authorized by an Approving Authority (Circle CEO, Business Entity Head, Function Head or Equivalent).
b) Mobile Phones

- All employees in work level L I will be provided with a mobile phone with STD and roaming features. However, ISD facility will be provided to only those who are required to frequently travel internationally.

- Employees in work level L2 and below will be provided mobile phones based on need and this will not be automatic work level based entitlement.

- This requirement will be approved by an Approving Authority (Circle CEO, Business Entity Head, Function Head or Equivalent).

- If a handset is lost, and amount equal to 50% of the cost of handset will be recovered from the salary of the employee. However, as soon as the money is recovered from the Insurance Company the same will be refunded to the employee.

Philosophy

In Reliance Communication, where the Company will keep launching a number of handsets from time to time, a necessity has come up to lay down a policy for allocation of handsets.

The premise on which the policy is therefore framed is as follows:

1. The phone is NOT a status symbol

2. It is a predominant requirement of the job and consequent to those who need to have a set for demonstration, etc. must have the required set, at the required time.
3. For all others, the Company Policy provides employees the flexibility to choose the model they want from the various handsets that are launched in the market from time to time.

**Coverage**

This policy covers Executives of Reliance Communication across all circles or cities in India.

**Policy**

**Eligibility:**

1. A person who is "Customer facing" and therefore needs a particular handset for demonstration stock" from time to time. This will include Marketing Executive, Customer Care Executive, Front End people of Web world, etc.

   This policy empowers the Geography or Entity Heads to make this decision. Geography or Entity Heads may in turn publish sub-policy towards this.

2. Employees or Senior Executives who meet the outside word who may not be "Customers" but there is a need for our executive to project their own image as an important person as Reliance for e.g. Top Executives, Corporate Accounts Mangers, etc. will also need an appropriate instrument to project that Image.

3. All other Level1 and Level 2 executives who do not fall into any of the above strictly do not need to have any particular instrument but will be covered by this policy, more to ensure parity and public perception.
Loans

The company offers various loans to ease employees’ financial burden in times of medical emergencies and for self-marriage.

- **Marriage Loan** - Employee will be eligible for Marriage Loan equivalent 3 times of their monthly gross salary with 0% interest to be paid back to the company in 36 equal monthly installments.

  If they leave the company before completion 36 months, they will need to pay back the Company the outstanding loan amount with 18% interest p.a. for the completed months of loan period.

  Application for marriage loan has to be made to human resource Commercial. The application for the loan should be supported with the Wedding Card. A demand Promissory Note for the amount paid towards marriage loan has to be signed by the employee.

- **Emergency Medical Loan** - The Company will provide emergency medical loan for hospitalization of self, spouse, dependant children and dependent parents. This loan is given on a need basis case-to-case with approval from human resource Head.

  In case the treatment is eligible for coverage under Mediclaim Insurance, they should set off the loan amount against the amount sanctioned and paid by the Insurance Company as soon as claim is passed. If the loan amount exceeds the claim settled by the Insurance Company, the balance will be recovered from the employees in equal monthly installments.
Grievance Resolution

Disputes may arise whenever people work together. Many conflicts arise out of differences of understanding whether between supervisors and employees or among peers. Most disputes can and should be resolved informally in the immediate work area.

Grievance Procedure

The organization encourages them to discuss any job-related problems with their supervisor or Departmental Head. It is expected such discussions will continue to be the primary method of settling most problems or complaints. However, when they feel it is necessary for a formal avenue, the following Grievance Procedure is available to express and resolve problems, concerns and disagreements:

Step I: Presentation to Immediate Supervisor or Manager - First, Employee should discuss the issue with the immediate supervisor or manager. The supervisor or manager shall investigate the grievance, attempt to resolve it and communicate a decision to the concerned employees within 3 working days. If the supervisor or manager cannot resolve the problem to the employee’s satisfaction or fails to communicate his or her decision within the specified time period. Employee must refer the issue to your departmental Head.

Step II: Presentation to Departmental Head - If the situation demands employee should go directly to the Departmental Head. The Departmental Head shall investigate the problem, gather all relevant facts, opinions and responses with 3 working days. Additional time to resolve the issue can
be given, and if the employees are still not satisfied then they can proceed further as.

**Step III: Presentation to Circle or Entity human resource Manager or Head or Corporate human resource:**

If the employees are not satisfied with the Departmental Head's response, they may discuss the problem with Circle, Entity human resource Manager or Head or Corporate human resource.

The concerned Head shall interpret Company’s policy and practice and discuss any legal aspects of their concern with the Circle or Business Entity Head. Together, they will determine an appropriate response to problem.

**Step IV: Presentation to Central Leadership Team** - If the employees are still not satisfied with the response of the Circle or Entity human resource Manager or Head, Corporate human resource, they may approach the Central Leadership Team. The Central Leadership Team will respond to their problem within five (5) working days. The decision of the Central Leadership Team will be final. Information concerning employees’ grievance will be kept confidential among the individuals involved.

**Personal Conduct**

**Dress Code**

While the company does not wish to limit the employees’ expressions of taste and individuality, they must all be aware that what the employees wear to work is as reflection of their own professionalism and that of the organization.
Reliance asks them to dress appropriately to present a clean, neat and professional appearance, jewelry should not be excessive. On Saturdays, smart casual clothing is permitted. However, extremely casual dress is generally not considered appropriate for work. A professional appearance is especially important for those of them who come into contact with clients and or potential customers on a regular basis.

Alternate dress code will be prescribed for field, customer facing employees in Network, Sales & Marketing and other areas.

**Conflict of Interest**

The employees have the responsibility to act all times in the Company's best interest and ensure that conflict should not exist between their personal affairs and their duties and role at work.

**Confidential Information**

Any information which a competitor would like to know, which gives the company a possible competitive advantage and if made public could possibly be injurious to the Company should be considered confidential. All the employees must ensure that confidential information is maintained.

**Email Usage**

The following guidelines on electronic mail usage must be followed: Use the mail service effectively only for business communication purpose and avoid usage of the email service for any means of entertainment, graphic images, jokes etc.
➢ To control the size and manageability of the mailbox, continuously delete large messages and message with attachments immediately upon reading them. For important and relevant business main messages, crate the corresponding archive files and store it on the local desktop system.

➢ The email should not be used for:

Chain letters, junk mail, spamming or any use of distribution lists to any person who has not given specific permission to be included in such a process. Any unlawful, harassing, libelous, abusive, harmful, vulgar, obscene or otherwise objectionable material of any kind or nature. Any material that encourages conduct that could constitute a criminal offense, rise to civil liability or otherwise violate any applicable law or regulation.

**Political Contributions and Activities**

The employee should not be an active member of any political organizations and should not misuse the funds of the Company of the purpose of political organizations. If, they are already an active member of any Political Party they should declare the information and the capacity at which you are operating to the Circle, Business Entity human resource Representative.

**Outside Employment or Personal Business**

Employees are refrained from undertaking any employment or personal business other than the Company. If, any employee has undertaken employment other than the Company and or involved in personal business the same should be informed to the Circle, Entity
human resource Representative. Employees are responsible to ensure that company facilities such as telephone, fax, internet, email are not used for personal business.

**Violence at workplace**

The Company supports the philosophy that violence has no place in the workplace and that prevention of potential workplace violence is a responsibility shared by all employees. Employees are responsible to meet Company’s standards of professionalism and demonstrate courtesy to clients, co-workers and members of public.

**Gambling/ Smoking/ Alcohol and Drug Abuse at Workplace**

Keeping in mind the safety of the office premises and comfort of colleagues, the employees must abstain from smoking in office premises.

Consumption of alcoholic beverages of drugs or any form of gambling like playing cards or betting pools inside company premises are strictly prohibited. Employees found to have violated these policies will be subjected to appropriate disciplinary action.

**General**

**Importance of Accurate Data**

The Company relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the Company's exclusion of the
individual from further consideration for employment or, if the person has been hired, may result in termination of employment.

**Personal Information Channels**

It is the responsibility of each employee to promptly notify the Company of any changes in personal data. Personal mailing addresses, telephone numbers, names of dependents, educational accomplishments, and other such status reports should be accurate and current at all times. If any personal data is changed, they must update such details in the Personal Information section in Employees Self Service (ESS) module.

**Visitors in the Workplace**

To provide for the safety and security of employees, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

Visitors have to be met in visitor's lounges, business centres and other specified areas. All visitors should enter the Reliance Communication office premises from the main or specified entrance. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.
Employee Self Service (ESS)

Objective of introducing ESS

Employee Self Service (ESS) enables the employees to interact with the SAP human resource database, to view and maintain their personal data. ESS provides the employees with a host of services and reports in the following areas.

a) Personal Information - Employees can view and update their personal data such as educational details, detail of previous employers, family related information, change of marital status, change of residential address, etc.

b) Payroll Related Information - They can view their monthly updates on the following

i) Pay slips

ii) Income Tax projection

iii) PF statements

c) Reimbursements - The claims for the following reimbursements may be submitted online.

i) Telephone Bills

ii) Local conveyance

iii) Medical Reimbursements

iv) Miscellaneous Expenses

d) Cost to Company - CTC related services.
**Login, Password**

The log in is “P” followed by the employee code number. The password for the first time user in fixed as his or her date of birth in the following format – “yyymmdd”. The employee may alter the passwords subsequently.

**ESS Helpdesk**

One can contact the IT Helpdesk to ensure that ESS is configured on the individual's personal computer. To access ESS employees should type http://ess.ril.com. In case of problems regarding logging in and passwords, contact ESS Helpdesk at ESS Helpdesk@ril.com
Conclusion

The above chapter presented in detail the various innovative human resource management practices that are adopted by the Reliance Communication. After studying these practices we can realize that these practices are developed after due research and careful analysis. These practices are providing optimum satisfaction to the employees. To justify the assessment and to reach up to the final conclusion the next chapter deals with the analysis and interpretation of the data related to various human resource management practices adopted by the organization.