Chapter – IV

HR PRACTICES AT SELECTED GOVERNMENT & PRIVATE SECTOR UNDERTAKINGS

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4:1 Importance of HR Practices in the Formation of Employee Attitude towards Privatization.

Employees develop favourable and unfavourable attitude towards privatization mainly on the basis of human resource practices carried out in the government and private sector organizations. Therefore the researcher compared the human resource practices at selected government and private sector undertakings for analyzing the same. Here the researcher collected relevant information regarding HR practices through observation and interview techniques.

4:2 HR Practices at Selected Government Sector Undertakings

4:2:1 Fertilizers and Chemicals Travancore Limited (FACT)

The Fertilizers and Chemicals Travancore Limited (FACT) was one of the first large scale fertilizer plants set up in India. FACT was incorporated on September 22, 1943 by M/s. Seshasayees (of Seshasayee Paper and Boards Ltd.) under the guidance of the Dewan of Travancore, Shri. C.P. Ramaswamy Iyer, with an initial share capital of Rs.25 lakhs. In 1960, the Seshasayees divested their share in favour of the Government of Kerala. Subsequently, the Government of India became the major shareholder.

The immediate objective was to grow more food using the wonder replenish, chemical fertilizer. This was how FACT came to be found in what is now known as Udyogamandal, on the banks of River Periyar, it was then the first large scale fertilizer factory in the entire country.

The human resource department at FACT has got four blocks. They are: Establishment, Industrial Relation, Welfare, and Training. The main functions coming under establishment section are: recruitment, selection and placement; promotion, transfer and rotation of employees in consultation with divisional heads; wage and salary administration; performance appraisal; and retrenchment. Industrial relation operates only within the Organization. The Inter organizational relation is handled by the corporate cadre. 60 to 70 % of management time is lost in resolving IR issues. Therefore the H.R department is of paramount importance. The main functions are: communication between
management and trade unions, grievance handling, settlement of dispute, handling disciplinary action, safeguarding employee rights, career related issues like promotion, transfer & rotation, and resolving daily petty issues. Welfare schemes can be divided into Statutory, Agreement, Voluntary and Incentives. The main objective of welfare measures is to maintain healthy working environment and raise the standards of living of employees which create harmony to the society and finally to the organization. FACT has always maintained very healthy welfare measures by providing Statutory Schemes like: employee’s state insurance, provident fund and miscellaneous provisions act, 1952, FACT employees provident fund trust, payment of gratuity act, 1972, Kerala labour welfare fund board rules, 1975, industrial employment (standing orders) act, 1946, and factories act, 1948-covers (health, safety, welfare); Agreement Schemes like: family relief fund, superannuation benefit fund, family pension scheme of company, retirement benefit fund, employee’s welfare fund, transport subsidy, local travel expenditure, subsidized bus service facility, special vehicle loan, uniform & footwear, leave travel concession, evening snacks, children’s education allowance, interest subsidy, free tea-twice a shift, production incentives, and leave & holidays; Voluntary Schemes like: contributory health scheme, group personnel accident insurance scheme, aid towards funeral expenses, ex-gratia payment for accident deaths, gratuity payment-company scheme, vehicle loan, work clothes, rain coats & umbrellas, free milk supply, supply of coconut oil, soaps, and towel, conveyance allowance for physically handicapped, special Tiffin for fire and safety personnel, laundering of special clothes, sports & recreation, lalith kala kendra, FACT employee’s consumer cooperative society, FACT employees housing cooperative society, school facilities, and company accommodation; and Incentives Schemes like: incentives for employees acquiring higher qualification while in service, incentives to promote Hindi, incentive to promote family planning, FACT merit award, FACT service award, attendance bonus, suggestion scheme, incentive for blood donation, incentives to promote sports & players, and merit scholarship scheme for employee’s children. The training and development activities of the company have been centralized with effect from April 2004. With this arrangement, the management development centre (MDC), the training centers of Cochin division, Udyogamandal division and Petrochemical division have been centralized into one department called
FACT Training Centre. Centralization was effected with a view to: utilize all resources efficiently and to ensure more productivity and to identify the training needs of all employees based on a uniform approach and imparting required training. Training Centre of FACT has started job-oriented courses in fire & safety engineering. New courses in heavy equipment operation & maintenance, welding technology and process plant operation are being organized. These courses are planned to be offered in association with governmental agencies and statutory bodies. The objective is to convert the training centre in to a “Skill Development Academy” with a view to provide facilities for skills development and making educated youth employable. Here in FACT the training is carried out by the following steps. The first step is to identify the training needs, trainees & programmes, then planning training, after that imparting training and finally collecting feedback.

The first area under HR department is industrial engineering. The main objective of this section is to make effective utilization of the manpower resources and restructure it for the benefit of the organization. The main functions are: manpower planning that composes of manpower audit & forecast future requirements, custodian of manpower inventory, work study i.e. removing system bottlenecks and production incentive etc., maintenance scheduling, work environment study, employee problem analysis, job evaluation, job rating, merit rating, and incentive calculation.

The next wing is administration. This wing is headed by DGM and maintains orderliness in internal affairs of the department. The main functions are: checking the performance of each department, consolidating the reports of different HR sections, act as a linking chain between different sections, and office and admin work of HR department.

The next one is Recruitment policy is done as per prescribed recruitment specification with proper authority appointed by B.O.D. The following are the sources of recruitment: confirmed employees within the division or company, employment exchange as per provisions of Employment Exchange Act, employees on deputation from Govt. of India, casual labours who were initially taken after employment exchange, transfer from public
sector undertakings, apprentices who completed training in FACT, dependents of deceased employees who died in service, and external source.

Performance appraisal in FACT started in 1962. In 1984, the system was further revised to include potential assessment, assessment of training needs and performance counseling. The main functions included in this area are: self appraisal for all management employees, reporting and receiving officers specified for each level of appraisal, assessment by the assessment committee, grading on the basis of assessment, communication of final rating to employees formally, and provision for appeal by employees formally.

FACT is one of the pioneer industrial undertakings, which initiated action to promote worker participation in management. Even as early as 1959, when FACT had only one division, the idea of having the active association of employees in various aspects of productive operations in true participative spirit, creating a climate of involvement and commitment in order to motivate the work force to enable the work force to contribute their best to the sustained growth and prosperity of the organization was in the mind of management. It was with this idea that a Joint Council, Shop Council and Joint Labour Management Action Groups were formed.

As part of cost reduction measures, from 1998 onwards FACT reduced its employee strength. FACT had more than 9000 employees earlier, but it is now reduced to less than 4000 employees by the successful implementation of VRS. FACT has several divisions, which all together consist of 3636 employees now.

The compensation provided at FACT can be mainly classified into three categories. The worker category receives Rs.4100 – 71 – 4455 – 80 – 5655, the supervisor category receives Rs.10750 – 300 – 16750 and the managerial people get Rs.14500 – 350 – 18700. The company provides 15% of basic salary as a HRA, 61.5% of basic salary as a DA, and Rs.180 as a CCA. OT is provided only to the workers. The management staffs are not eligible for OT allowances. It is usually calculated as double to the actual wages. The
company also provides retirement benefits like: pension (nominal amount), gratuity (15 days salary multiplied with number of years’ service), and PF (10.5% of total salary). The promotion is provided only by considering seniority.

The department looks after the legal affairs of the organization. It is entrusted with the duty of handling cases within and outside the organization in which the company is involved. These are the important HR functions carried out by the FACT for developing employee morale. Now we can deal with next government sector establishment.

4:2:2 Kerala Agro Machinery Corporation Limited (KAMCO)

Kerala Agro Machinery Corporation Limited, a Government of Kerala undertaking was formed with the intension of manufacturing power tiller operated by diesel engine. The company came into existence in Athani in Ernakulam district in 1973 when it started assembling power tillers under technical collaboration from M/S Kubota Limited, Japan. The product is now made in India and is suitably designed to meet the Indian conditions. There are more than 1.5 lacks of KAMCO power tillers operating in various states in India. Transport Corporation of India Ltd. has been associated with KAMCO for about 25 years and transports material to all parts of the country. It is here that TCI plays a major role in the movement of the machine and also ensures availability of spare parts with all the dealers.

KAMCO’s human resource department plays a vital role in overall productivity and efficiency of its workforce. The main objective is to meet the organizational needs of the company and the needs of the people hired by the company. Human resource department provides expert advice and assistance concerning personal matters. HR department helps to maintain better relation between management and employees. It includes joint consultation, collective bargaining, grievance handling, disciplinary actions, settlement of industrial disputes, etc.

In KAMCO there is a specific recruitment and selection procedure. Recruitment focuses on identifying the right people for the right job. It starts with drawing up the profile of
ideal employees after determining the competencies, structuring the very form of selection process in such a way that it helps in checking the fitness.

Recruitment occurs in two types, PSC recruitment and company recruitment. For the post like Assistant Accountant, office staffs, Typists, stenographer etc, the people are hired through PSC Recruitment. Executive and Technical post are filled through Company Recruitment.

Employment exchange forwards a list of candidates for the required posts in the unit on their notification to the District Employment officer, Ernakulam. Vacancies are advertised in major newspapers or notified to the Employment Exchange in accordance with the Government rules. No discrimination or religion, color, race etc is made. Appointments are purely based on merit.

Normal age limit for fresh recruitment will be 35 years in case for posts in G-8 and 40 years in all other cases, relaxable at the discretion of the Managing Director, wherever necessary. Departmental candidates will be considered for posts to be filled up by open selection along with outside candidates and a common merit list will be prepared.

The company may fill up vacancies by obtaining employees on deputation from government department or other public sector undertakings whenever necessary, incase suitable internal candidates are not available. No person shall on his first appointment be allowed to join duty unless he has submitted a certificate of fitness in the prescribed form signed by an authorized medical officer of the company or a civil surgeon of the State Government.

In KAMCO during each calendar year, the supervisor assesses all the training needs of all units. The suggestion of the department is put in the HRD committee who will prepare a training calendar. General Manager informs to the Managing director for inviting quotations from different outside trainers. Another step is the impartment of training. After this training HR department collects the training report from the participants and
also give evaluation sheets to the employees who participate on that training after six months. For training programs nearly Rs. 150000 is allocated per year. This form of training is for the permanent existing staffs of the company.

For new recruits awareness training or orientation training is given, from one week to a month. After this training orientation report will be collected from each department.

After analyzing the orientation report they will give placement to the employees as a trainee under probation. Probation period is for one year. After satisfactory completion of probationary period the employees will be placed in the regular pay scale. In KAMCO there is a personal record sheet containing all the personal information of the newly joining employee. Additional training/competence needs if any are identified and arranged to be provided as per training calendar. Methods of learning /training are evaluated for effectiveness, by the HRD committee.

Performance Appraisal is carried out once in a year, in the case of officers. Appraisals are made by the 31st of December and are collected by the 15th of January in the following year. In the case of workers, performance Appraisal is carried out when they become eligible for a grade change. During the probation and training periods, appraisals are carried out every quarter. The appraisal reports are then placed before the promotion committee. In the case of the officers, a three stage appraisal is performed. In the first stage, a self appraisal is carried out by the divisional head.

The industrial relation in the company is cordial which forms the basis for sustained growth of the organization. Wage revision settlement in all units was implemented. The period for a long term wage settlement is 5 years. Kamco has 5 recognized trade unions. The management has cordial relation with all of them.

In promotion area, the company has certain promotion policies. The officers and workers have separate rules for promotion policy. Promotion will be made by the relevant
appointing authority for various posts of chief mechanic, chief hand, chief draftsman and senior technical assistant will be by selection based on the assessment for promotion.

Promotion to the posts in G-9 and above will be made by a committee constituted by the Board of Directors with not less than three members and at least one of the members of the subcommittee should be a Government Director. If necessary, the committees will corporate experts from outside. The promotion committee will consist of the chairman and Managing Director also.

Promotion will be made only against a vacancy. Promotion will be affected only to the next higher post in the same discipline. For promotions against each vacancy, a panel containing at least two names should be prepared on the basis of merit. The Board of Directors should approve the panel and appointment will be made by the Managing Director. A panel once prepared should be valid for three years from the date of approval of Board of Directors.

In order to motivate employees for continued efficient service in the company a scheme will be introduced so that the employees who do not get promotion to higher post may get a chance for improvements in their grades.

Subject to the provisions of the staff by laws the following kinds of leave may be granted to an employee. Casual leave, earned leave, half pay leave, maternity leave, special leave, extra ordinary leave, and leave for foreign assignment. Except in the case of leave on medical grounds, an employee shall not avail himself of leave of any nature or absent himself from duty without prior sanction. If any employee absents himself on medical grounds, the sanctioning authority may refuse to sanction the leave unless a certificate from an authorized medical practitioner is produced showing a reasonable justification for the absence on medical grounds.

A welfare centre has been constituted by KAMCO under the Societies Registration Act, 1860 and is called KAMCO Welfare Centre. Any permanent employee of KAMCO can
voluntarily become the member of the centre. The office of the institution is situated at the registered office of Kerala Agro Machinery Corporation Limited, Athani.

The objects for which the centre is established are to promote and diffuse knowledge on farm mechanization, agriculture development, production technology and other related subject; to promote education and development of work culture among the community; to establish and inculcate educational research programme into the public; to establish a family support service programme to help families of the employees; and to extend medical relief by providing medical facilities supply of medicines to the workers of KAMCO, their family members and the community to which they belong.

KAMCO is offering many welfare facilities and the company is also giving more importance to the welfare activities. KAMCO provides both statutory and non-statutory welfare measures. The statutory measures are drinking water, toilets, washing facilities, occupational safety uniforms, stitching and washing allowances, shift allowance, canteen, maternity benefits, employee state insurance, and health and medical facilities. And the non-statutory measures like housing subsidy, transport subsidy, and provisional store.

Based on the report of the unit/divisional/department heads against an employee for alleged misconduct, show cause notice, preliminary memo if any and the charge sheet in warning cases against the employees other than officers directly reporting to the MD will be issued by the Head of the HRM department in the corporate office. In the case of officers reporting directly to MD the charge sheets will be issued by the MD. Punishment if any based on the disciplinary proceedings will be awarded by the appointing authority as per prevailing rules and regulations.

KAMCO is classifying its employees into mainly two categories: workers and officers. The workers’ category is further classified into eight categories (G1 to G7A). The G1 category receives Rs.2440-40-2640-45-2865-60-3465; G2 category receives Rs.2465-45-2690-55-2965-65-3290-75-3665-90-4565; G3 category receives Rs.2500-55-2775-60-3075-70-3425-85-3850-95-4800; G4 category receives Rs.2535-60-2835-65-3160-75-
3535-90-3985-100-4985; G5 category receives Rs.2600-65-2925-70-3275-85-3700-95-4175-105-4700-110-5800; G6 category receives Rs.2660-70-3010-75-3385-90-3835-100-4335-110-4885-115-6035; G7 category receives Rs.2800-75-3175-85-3600-95-4075-105-4600-120-5200-125-6450; and G7A category receives Rs.3050-85-3475-90-3925-100-4425-110-4975-125-5600-130-6900 as their compensation. The company is classified the officers’ category into seven (G8 to G14). The G8 (Asst. Engineer/superintendent/Personal Assistant/Public Relation Officer cum Liaison Officer) category receives Rs.7200-200-7800-225-11400; G9 (Asst. Manager/Personal Secretary) category receives Rs.7800-225-8475-250-12975; G10 (Dy. Manager) category receives Rs.8250-250-9250-275-13650; G11 (Manager) category receives Rs.12600-375-15600; G12 (Sr. Manager) category receives Rs.14000-400-18300; G13 (Dy. General Manager) category receives Rs.14300-400-18300; and G14 (General Manager) category receives Rs.16300-450-19900 as their compensation.

The worker category is provided with electronic punching card (G1-G7) and for the officers category they uses attendance register instead of punching cards (G8-G14). Time officer performs the job to prepare the attendance and leave of the employees.

In KAMCO for workers there are three shifts 7am – 3pm, 3pm – 11pm and general shift is 9am – 5pm. For office staffs it is 9.30am – 5pm and on Saturdays it is 9.30am – 1.30pm. For security staffs there are three shifts 8am – 4pm, 4pm – 12am, and 12am – 8am.

KAMCO employees retire at the age of 60 years or on attaining superannuation. There is also Voluntary Retirement Scheme (VRS) in place. Employee opting for VRS receives a lump sum payment equivalent to one and a half month’s salary for every year of service or for the remaining service period, whichever is shorter and additional notice pay for three months. Other benefits received on retirement include PF, Gratuity, Welfare fund, etc.. Earned leave up to a maximum of 300 days can be encahsed.
In the case of separation due to disciplinary problems, the employee is dismissed after the conduct of a domestic enquiry, which has to prove him guilty. The MD appoints the enquiry officer and the final separation occurs within six months of the initiation of disciplinary proceedings. Through these functions KAMCO is trying to create maximum result out of their employees. Next we can deal with KFL.

4:2:3 Kerala Feed’s Ltd. (KFL)

Kerala Feed’s Ltd (KFL) is a Kerala Government company setup in 1995, incorporated under the Companies Act. The total project cost was approximately Rs.3500 lakhs, out of which Rs.2074 lakhs is government equity, 626 lakhs is share holding of various co-operative or public sector undertaking and Rs.800 lakhs is term loan from nationalized bank. The company is headed by Board of Directors under the chairmanship of Secretary of Government. The plant was commissioned in late 1998 and commercial production could start in January 1999 with one shift only.

The company has designed the product in such a variety that it different from its competitors’ products. Kerala Feeds Ltd. revolutionized the use of Pellet form of cattle feed among dairy farmers in Kerala because for the past two decades farmers were familiar with mesh feed only.

The main personnel functions of the company are recruitment, selection and placement of the employees; performance evaluation of employees; training needs assessment for employees; wage and salary administration; and maintenance of personal records. The welfare functions are: administration of canteen, issue of uniform, safety shoes, towel etc, and administration of personal loan from bank/ LIC under salary administration. And the administration functions like administration and maintenance of company premises/garden and estate including guest house and company quarters purchase and maintenance of office stationary/office equipment and administration of vehicles, telephone, fax, computers, Photostats, receipt and dispatch of mails, couriers, services and security staff.
The system and procedure for recruitment of employees in the service of the company are laid down in the rules formulated with the approval of the government. As per the agents of Government of Kerala, HR department is developing strategies for the recruitment process for the company and for other posts like junior assistant, driver, and laboratory assistant recruitment is made by the notification in the Kerala Public Service Commission. The post below is the level of store keepers are notified to the district employee exchange and the recruitment of store keepers working and office attenders are made by notifying the vacancies to the local employment exchange at Irinjalakuda. Candidates found suitable for appointment to the post of workers are appointed on daily wages initially at PWD schedule of rates for period of one year.

On satisfactory completion of probation they are confirmed in their respective posts. The selected persons are posted to the respective departments for work. The functions of selection recruitment and placement are handled by the personnel department.

Training program in the company is mainly done for the employees in 3 stages like: Induction training, Functional training, and General training. Induction training is to be organized for the newly appointed employees in the company as per the guidelines for induction programme. Functional and general training are to be organized for the employee in the company on the basis of the training needs assessment of the employees. This training may be arranged internally or externally. All the employees directly related to quality system (plant workers, attenders, technicians etc.) will be imparted an annual training.

No employee shall have the right for promotion to any post, only on the ground of his seniority in service or on ground of having additional change of a post. An employee is eligible for promotion only if he has satisfactorily completed his probation in the respective category to the post which the promotion is made. Promotion shall be necessarily to made on the ground of merit and abilities. No person shall be liable for promotion to a post unless he possess the prescribed qualification and experience.
required to such post. A workman shall be liable to be transferred from a department to another or one job to another according to the direction of the company.

Every person appointed to a post shall be required to be on probation for a period of two year, in duty within a continuous period of 3 years from the date of appointment.

There is a process of evaluating the performance of the employee within an organization. The procedure is carried out in the following manner: entering preliminary data in performance appraisal, entering performance appraisal details in the performance form, and enter remarks by the higher authorities.

All wages due to workman, after deduction from their wages shall be made in accordance with the provisions of the payment of wages act 1936 as amended from time to time. The special allowances are given to its employees are employee provident fund, gratuity, medical benefit, and compensatory allowance. The average earning per employee in a month is: for workers Rs.4145, for supervisory staffs Rs.4674, for executives Rs.11050, and for senior executives Rs.17137.

The company is providing various types of leaves to its employees. The managerial and supervisory categories are getting casual leave, special casual leave, and earned leave; and for workmen earned leave, ESI leave, maternity leave, and casual leave.

Every employee appointed in the service on Kerala Feeds Ltd, shall retire at the age of 58 years. If the employee complete 58 years of age on the first day of any month he should retire on the last day of the previous month. If the employee complete 58 years of age on any other day of the month, he should retire on the last working day of that month.

Company employee, who met with accidents in the course of employment in the company are taken to the nearest hospitals in vehicles provided by the company. The expenses incurred for transportation and treatment of the employees at the hospitals are born by the company and the period of their absence due to accident arising out of and in
the course of employment are treated as duty. These are important HR functions carried out by this company for creating positive feeling among the employees. Next the researcher is analyzing about SIFL.

4:2:4 Steel and Industrial Forgings Ltd. (SIFL)

Steel and Industrial Forgings Limited (SIFL) is a government of Kerala undertaking commenced commercial production in 1986 and gradually forged ahead to become a name to reckon with in the forgings scenario. The company cater to a wide range of Industries in Defense, Automobile, Heavy engineering, Aero Space Research, Railways, Earthmoving Equipments. They manufacture forgings in the weight range of 8 kg to 450 kg net weight per piece.

Human Resource Planning in this establishment is restricted by the state government. The company can employee the maximum of 317 employees at a time. If they want more employees for their business operations, they can add 64 more employees with the sanctioned number without much formality. If they need above that, they have to get special sanction from the state government.

The company is having very limited sources for carrying out recruitment function. The recruitment sources utilized for executive class are professional employment exchange and recruitment advertisement in print media. For recruiting workmen the company only depends on employment exchange.

The selection process starts with the reception of application forms. The selection procedure for executive class is different from working class. The selection of executive class is based on the following steps: reception of application, screening the application, written test, group discussion, and interview. The working class is selected on the following basis: reception of application, physical examination, and interview.

The newly appointed employees (both the executive class and working class) will get proper induction training in this firm. This induction programme provides facility for its
employees to get familiar with the prevailing systems in the organization. In this programme the company management teams address the new comers. They will provide information like organization rules, policies, culture, revels its authority relationship, what the company expect from each of them, etc...

Here the promotion is mainly based on seniority. The merit aspect is not given due consideration for providing promotion to its employees.

The management is providing training to its workers and development programmes for executive class. In this organization training and development is provided on the basis of training need assessment. The training need assessment is carried out on the basis of performance appraisal (i.e. by identifying the deviation between standard performance and actual performance). After this process the company will plan about the training programmes to its employees on the basis of situational demand. Here they are mainly providing two types of training. One type of training is in-house training. The second type of training provided in this concern is external training. On the basis of situation the company will provide external training facilities to both the working class and executive class. For this type of training the company is depending on well established and reputed training centers outside the organization.

After providing training and development programmes the feedback is collected on the basis of two criteria: first criteria is by collecting feedback directly from the trainees soon after the training section and the second criteria is by assessing the improvements the employees are making in their task after the training and development programmes.

The company conducts periodical performance appraisal in all levels. The executives’ performance assessment is carried out by the immediate superior and top management together. But the workers’ performance assessment is done only by their immediate Bose, usually the supervisors.
The compensation provided to its employees can be classified into executives’ compensation and workers’ compensation. Further the executive category can be classified into diploma holders and engineers. The diploma holders are getting Rs.5000-11650 and the engineers are getting Rs.6850-15960 as their remuneration. The workers category is also further classified into unskilled workers and skilled workers. The unskilled workers are receiving Rs.1650-5500 and skilled workers are receiving Rs.1775-6000 as their reward.

The company is providing two types of incentives. The first one is group incentives and the other one is production incentives. Group incentives are applicable to both the executives and workmen on the basis of overall performance of the company. It is named as General Incentive. Production incentive is applicable to workmen who are participating in the production process. This incentive is provided on the basis of individual performance.

The standard working hours are fixed as 8 hours per day. The general shift for office is scheduled to be 9.00 am to 5.00 pm. The workers are having three shifts. The first shift starts from 7.00 am to 3.00 pm, the second shift starts from 3.00 pm to 11.00 pm and the final shift starts from 11.00 pm to 7.00 am. The workers shifts will change weekly.

During the first year of training the trainees will not be eligible for any kind of leave other than casual leave and statutory/festival holidays as prescribed by the company. During the second year, the trainees for the purpose of this rule will be treated as if they are on probation and their leave will be regulator as per the leave rules applicable to other regular employees of the company. The employees are eligible for 8 holidays in a calendar year i.e. 3 national holidays, 4 festival holidays and 2 sectional holidays.

Overtime is calculated on weekly basis. An employee’s normal weekly working hours is 48 hours. If an employee works more than 48 hours in a week, he is eligible for getting overtime benefit. This benefit is calculated by dividing weekly remuneration with 48 and multiplying this answer with 2.
The company has got standing order in order to take disciplinary action against an employee. This standing order goes as follows: provide charge sheet to concerned party, collect the explanation from the party, conduct enquiry, and take action (Termination).

The employees are encouraged to put forward their suggestions through reward system. That means, the employees who are giving valuable suggestions are encouraged with financial rewards.

For the benefit of employees the company is having employee welfare fund. The employer and employee contribute equally to this fund. Both parties are contributing Rs.40 each towards this fund. This fund is utilized for death benefit, retirement benefit, educational support, etc.

IR policy of SIFL is to introduce and establish systems and procedures which ensure a healthy employee-management relation so as to achieve maximum productivity, employee satisfaction and development. The grievance /demands raised by the recognized trade union are looked in to and discussed bilaterally. The company has made it policy to recognize to which command a minimum strength of 30% of the total strength of workmen in a unit. The representative of all recognized trade union are given equal status during bilateral discussions.

Other facilities provided by the company are: canteen facility, milk allowance, annual base medical camp, health insurance and personal accident insurance. These are the facilities provided by this company to its employees. Next we can comment with another government sector concern.

4:2:5 Transformers and Electricals Kerala Ltd (TELK)
Transformers and Electricals Kerala Ltd. (TELK) was incorporated on December 9, 1963 under the Companies Act 1956. The Government of Kerala State Industrial Development Corporation and the global giant in the power equipment, M/s. Hitachi Limited of Japan joined to lend support in nation building. The Ambassador of Japan laid the foundation stone of the factory in January 1964 at Angamaly.
Before establishment of TELK, it had a predecessor group namely Kerala Heavy Electrical Project (KHEP). The aim of KHEP was to find out technical feasibility, economic viability and the market situation for the transformer. Its office was situated at Trivandrum and it was transferred to Eranakulam in July 1964.

In TELK the administrative staffs are recruited through PSC, and technical staffs are recruited through employment exchange. The Selection procedure in TELK is purely on the basis of written tests and interviews. For administrative staffs; these two will be conducted by PSC, but for technical staffs test and interview will be conducted by a board, which contains officials from TELK and officials from Industrial Department of Government. Placement in TELK is taking place based on qualification and merit of selected candidates as well as requirement to each section.

The company has a regular training programme for newly recruited persons and for supervisory personnel. For newly recruited persons company provides induction training to get general idea about the policies and procedures of the company. In TELK HR Department will send a circular to each department for the identification of training need in each department. Along with the circular a list containing the various training fields is also attached. According to the response from each department HR Department will arrange special training programmes which includes on the job training and off the job training. TELK is giving training in the following fields like: communication and presentation skills, multi skills and flexible working practices, TQM, work culture and self development, managerial leadership and team building, QC, materials management, manufacturing, planning and control, customer service management, computer training, and stress management. The company sponsors employees for undergoing training in management, engineering and technology, etc., organized by well established institutions and universities.

The company has an efficient and effective method of performance appraisal. Two different pattern of performance appraisal is followed in the company for supervisory and
non-supervisory category. For supervisory category rating is done in every year. The format for rating contains two sections. The first section contains space for self appraisal. In that the employee should fill the answers of questions related with type of work, his contribution towards that particular work, and the benefits achieved by the company from his contribution. The second section of the format will be filled by the concerned supervisor and HOD of the department. It contains the information related with job performance factors like: aptitude, job knowledge, quality, quantity, dependability, and cost and time consciousness; and managerial factors like: initiative and original thinking, responsiveness to change, developing subordinates, attitude towards others, and integrity and commitment. For non-supervisory category rating will be carried out during probation and also at time of promotion. The supervisor and HOD of the department are the raters, and report will send to HOD of personnel department. The rating will be done on the basis of factors like: quantity of work, job knowledge, attitude, attendance, late coming, quality, and reliability.

The average compensation provided by the company to a worker is Rs.8000, for a supervisory staff is Rs.18000, for an executive is Rs.20000, and for a senior executive is Rs.25000.

All employees will get their one and half month’s salary per year as medical benefit if they can submit the necessary documents. Except this all have medical claim facilities. This medical claim floater insurance scheme is for the employees and for their family members. According to this scheme all those have salary (Basic + DA) until 8000 will get Rs.50,000 and those have more than that will get Rs.75,000. For serious health problems like – Cancer, Heart Attack, etc., employees will get a maximum of Rs.3,00,000. But this facility is only for employees not for their family members.

In addition to wage and salary, allowances and bonus, the employees will get several other benefits in the form of fringe benefits. The different types of fringe benefits for TELK employees are as follows: inter-subsidy for housing loans, health and safety
benefits, payment without work (i.e. Sick leave, maternity leave, etc.), free telephone facility for managerial category, and holidays.

Employees will get all the required items to home from multipurpose society. Company provides these items at low price than the market price. More than that, they have to pay the money of current month’s shopping only in the succeeding month. The company is also having a cooperative society and it provides home loans and other financial help to the needy employees at low interest than other financial institutions.

In order to provide the employees with better working conditions and facilities, the company has a welfare scheme. This scheme ensures financial aid to the worker and his family like scholarship for meritorious students, help for funeral ceremony, etc.,

Promotion for supervisory category is purely based on seniority. For non-supervisory category there is a practice of considering seniority and performance. The company provides canteen facility to their employees. They have to pay only 55 paisa for meals and only 30 paisa for breakfast.

For all the employees TELK has a club named as TASC (TELK Arts and Sports Club). This club conducts TASC Day in every year. On that auspicious occasion they will have various cultural and sports programmes for the employees and for their family members. TELK has a very good library and reading room for their employees along with the collection of number of CDs.

These are the important HR areas concentrated by the company for creating employee satisfaction. The final government company considered by the researcher is State bank of Travancore (SBT)

4:2:6 State Bank of Travancore (SBT)
State Bank of Travancore (SBT) was originally established as Travancore Bank Ltd. in 1945 sponsored by the erstwhile princely state of Travancore. Under a special statute
of the Indian Parliament (SBI subsidiary Banks Act 1959) it was made an Associate of the State Bank of India and a member of the State Bank Group, the largest banking group in India.

Being a public sector bank, SBT is committed to the policies of the Government for social development. We offer credit to the Priority Sectors and also the special schemes announced by the Government.

The Bank is alive to its developmental role and actively participates in meeting need-based requirements of Agriculture and MSE (Micro and Small Enterprises) business. It has consistently met the benchmarks for priority sector advances stipulated by the Government from time to time.

The Bank attaches priority to this vital sector and encourages technocrats and women entrepreneurs. Bank’s Technical Consultancy Cell assists the small units in evaluation of techno-economic feasibility of their projects. Bank has setup exclusive Small and Medium Enterprises Branches for this sector.

The Bank caters to the needs of farmers through its rural, semi-urban and identified Agriculture intensive branches. The Bank also encourages allied activities such as dairy, poultry, piggery, fishery, horticulture, etc., Schemes like Kamadhenu for rearing of Calves and Heifers, Ksheerasamrudhi for dairy farming, Rabbit Plus for Rabbit rearing and Matsya Plus for Fish farming has been introduced. Farm mechanization and Agro based industries are given due attention too. We have also introduced Kisan Credit Card Scheme, for the farmers to purchase agricultural inputs and meet other productive needs. Bank also has introduced scheme to extend assistance to tenant farmers who are holding only leasehold rights over the land in which they cultivate. Large areas of fallow lands are being brought under cultivation under this Scheme.

During the year, SBT-Harithosalvam 2011 campaign has been launched to cater the needs of the farmers in a bigger way. The Bank has surpassed the bench mark level of 18% under Agriculture sector and achieved 19.15% of ANBC.
State Bank of Travancore jobs can be availed by all Indian citizens, who are a graduate from a recognized university or any equivalent Qualification, recognized by the Government of India. Age should not be less than 21 years and not more than 28 years. Reserved categories of candidates have the usual reservations and relaxation.

The selection process comprises of written test and interview. The written test is of around two-hour duration and has both objective and descriptive type questions. The descriptive section evaluates the comprehension and expression of the candidate. While objective part has got questions on English language, Quantitative aptitude, General awareness and test of reasoning to test intellectual capability, depth of understanding, knowledge and time management.

Those who qualify the written test have to appear for interview of 100 marks. Interview Board is interested in assessing the personality, intelligence, alertness and suitability of the candidate.

In 1978 Banking Services Recruitment Boards (BSRBs) were established to have a uniform standards & eligibility criteria for recruitment of personnel. There were 15 BSRBs covering one or more states & are assigned to recruit both officers & clerks.

After dissolution of BSRB’s, banks are now advertising directly for their vacancies. Now IBPS conducts and rates the written examination (comprising objective and descriptive parts) on behalf of banks. The banks usually prefer to have for interviews anything from 3 to 4 times the number of vacancies advertised, and then make the final selection.

Appointment of the short-listed / selected candidate is subject to his / her being declared medically fit as per the requirement of the SBT. Such appointment and confirmation in the services of the Bank will also be subject to receiving satisfactory references from respectable referees, police verification of background, caste / class verification, execution of service bond and other compliances.
The selected candidate will be on probation for a period of 24 months (2 years) of active service from the date of his/her joining the Bank. The selected candidate will be required to execute a service bond undertaking to serve the bank for a period of 3 years or to pay the bank a sum of Rs.2,50,000/- should he / she leave the bank before the completion of the 3 year service period.

Seldom has there been a time in which it has been necessary for organizations to attune attitudes, upgrade skills and kindle sparks of knowledge in their human force to the extent and with the rapidity required today.

Those who dominate the market in times to come will be those who are prepared to seize opportunities as they come. At SBT, the training facilities offer an admirable approach to these opportunities. ‘Ask and it shall be given’ is the policy adopted at SBT related with training.

SBT has one of the best training systems in India. The training experience here goes back to over four decades. Presently the training structure consists of training centers in various parts of the country. The training is designed, delivered and assessed, based on systems suggested and put in place by our consultants; these systems have been tested and refined by practical application.

In our staff training facilities like: physical, mental, spiritual and social up gradation of self for an individual and building of teams of performers of outstanding organizations take place in the most natural way. We have got excellent, air-conditioned learning centers [we call them "channels" of learning], computer-backed presentation packages, interactive learning processes, salubrious living conditions in hostel rooms with provisions for intellectual and physical games, group exercises and teambuilding fun in verdurous mango-groves, where mimicking monkeys and shy sheep are, perhaps, the only onlookers! Yoga, somnolent reverie after a relaxed splash in the swimming pool, or a stroll down the jogging tracks and exercise stations or a stretch of paddling or rowing on the boat around the natural pond are true tonics for invigoration. If the weather does
not encourage outdoor relaxation a workout in the luxury of the gymnasium, a game of
snooker, a solitary tryst with computer games or online learning facilities - are other
options.

We have devised an outcome-oriented training process. Each and every module is
designed so that learning takes place through interaction. It is also ensured that this
learning is translated into action at the work place. Our training programs actually deliver
value to the organization. Post course surveys conducted by us have confirmed this. Yes,
we have translated yet another cliché into reality. We invite organizations to give the
enriching experience to the employees, to create learning and growing organizations.

Our 'facilitators' of learning - "Faculty" or "Trainers" in the common parlance- are
experienced bank officers with many years of exposure in the entire gamut of banking.
All the facilitators have been through an intensive orientation program on adult learning
processes. They are also exposed periodically to updating of skills and awareness in
leading institutions in the country.

SBT is also organizing executive education programs in association with the Institute of
Chartered Financial Analysts of India, Hyderabad. In this stream following programs are
offered: Finance for non-finance executives, treasury and forex management, software-
project management, and the Service edge – for improving service quality.

Monthly remuneration received by each of its officers and employees, including the
system of compensation as provided in its regulations.

Salary and allowances to officers and employees of the Bank are paid as defined in the
settlement with Officers’ Association and Employees’ Union.

Salary and allowances are paid at the branches/administrative offices concerned scales of
pay of employees are given below:
Scale I Rs.10000-470/6-12820-500/3-14320-560/7-18240
Scale II Rs.13820-500/1-14320-500/10-19920
Scale III Rs.18240-560/5-21040-620/2-22280
Scale IV Rs.20480-560/1-21040-620/5-24140
Scale V Rs.24140-620/4-26620
Scale VI Rs.26620-680/4-29340
Scale VII Rs.29340-680/2-30700-900/1-31600-1000/1-32600
Scale of pay of workman staff
Clerical - 4410 -215/3- 5055-335/3 -6060-470/4-7940-500/3-9440-560/4 -11680-970/1-12650-560/1-13210

The SBT has directed to do away with their separate promotion policies. This fresh guidelines aim at removing the anomalies across SBT banks and addressing severe manpower shortage by creating a common pool of managers.

This spells the end of fast track and super fast-track promotions at managerial levels in SBT. The new guidelines will allow lateral movement across banks without any remuneration issues.

As per the guidelines, an employee will have to work in all verticals of a bank before being promoted to the middle management level.

"Specialists recruited in bank will however have to spend at least five years in their area before being moved to other functions." Further, in a case where a relaxation has been provided on the basis of merit, the same officer will not be eligible again.

The guidelines run contrary to the recommendations of a panel, set up to look into human resource issues at SBT, which had recommended that the bank should develop mechanisms for identifying star performers and to track their performance for fast-track growth.
The Importance of PAS (Performance appraisal System) are emphasizing at SBT. The bank is well aware that, it is only through proper implementation of Performance Management System, quality workforce can be retained. The primary objective of performance evaluation is to identify the employees' strengths and weaknesses in order to reinforce the strengths and to develop methods and tools to improve upon weakness areas. Job profiles are to be clearly defined with respect to factors, criteria and measurement. In Performance Management Process, Career Counseling is done to align the individual goals with business goals. Individual employees are imbibed with best skills to fit in future vacancies and to develop leadership capabilities. All these are carried over to make the bank the Employer of Choice. This is backed by cohesive, competent and committed HR team. HR team with Business managers accomplishes organizational objectives. People's vision and values are understood before proceeding to place them on the job.

Though overtime is almost extinct now, it is an interesting case because even the sudden drastic curtailment of overtime did not affect the company. Banking being service-oriented and production intangible, the concept of overtime was misconceived as a way for employees to unduly gain additional pay. With the intent of gaining overtime, certain employees slowed down the day’s work accumulating arrears on some plea or the other. If supervisors ensured a full day’s work, and did not allow employees to fritter away office time, it would result in optimum utilization of available human resources.

In the present hi-tech environment, downsizing and redeployment are order of the day. Overtime can be totally eradicated and wherever employees are required to put in extra hours it can be compensated by exception. Management was able to handle even the sensitive area of overtime without relying on any amendments to the existing statutes/bilateral agreements. Similarly they should be able to enforce better employee behavior in other areas which will contribute to better customer service.

The trade union has crossed various milestones and gained rich experience. To safeguard its own position and retain power, the unions displayed their collective strength to the
rank and file, with concerted actions, and a challenging approach. In accomplishing their objectives, they contributed indirectly to the present deterioration. The power concentration enjoyed till yester-years by major trade unions/associations particularly after nationalization exerted influence/pressure on bank managements as well as the government, penetrated a strong notion amongst its employees to misuse their position. They were inclined to defy even lawful and reasonable orders of the management, or resist at every stage, at the cost of operational efficiency. Right from the top executive to the line manager, crisis management reigned which had long-term adverse effects including poor performance, conflict, and impediments to increased productivity and improved service.

Over a period the unions enjoyed unfettered power at the expense of managements and even its own members. The basic concept of collective bargain itself was totally forgotten. Having gained power, the major unions did not play their appropriate role of improving productivity while simultaneously protecting the legitimate rights of employees. The secret ballot system was not prevalent, union leaders were elected by a nominated panel and hence the interests of the majority of workers were not reflected. The interests of the union leaders and their close associates took precedence over the legitimate interests of the workers.

The directives of government on punctuality and discipline and ritual "surprise" checking by controlling offices has had little effect on erring employees. Frequent disappearance from the desk/counter was a common phenomenon hampering customer service. The entry of private and foreign banks with limited areas of operation is not enough to give effective competition to the wide spread network of public sector on whom majority of the clientele depend. Effective surprise checks would be one effective tool for combating attendance problems. Furthermore, if employees simply realized that organizational survival depends on customer satisfaction it would improve matters significantly.

Regular absence of members of the work force without any information to the bank is uncontrollable causing administrative dislocation of the daily routine. In the latest
bipartite settlement, unions signed an amendment treating long unauthorized absence as voluntary cessation under the category of major misconduct. This is a move in right direction. To tackle chronic absence, the superior functionaries at the branch level could not initiate suitable action besides treating such absence as unauthorized without pay and allowances. It is hoped this action would have a deterrent effect on other erring employees.

To realign with present realities, transformational organizations need restructuring, operational specialization, and the infusion of electronic world into banking all of which have created a sense of job insecurity among the workforce and unions. To keep pace with technological revolution some excess workers could neither be re-trained to metamorphose e-knowledge skilled worker nor could they be redeployed / fired.

Being unable to set the mind of such workers or unions to accept the dramatic changes in the information society, despite knowing full well that lean structure will certainly result in better organizational efficiency; the top managements of some banks put forth their illusionary arguments of having no surplus manpower. In such a conflicting situation, the Central Government as apart of secondary economic reforms introduced the Voluntary Retirement Scheme (VRS) taking care of the senior worker, which some top management implemented reluctantly though the unions vehemently opposed it, saying it was retrenchment. Despite unions canvassing against it, the scheme evoked unprecedented response. These are the important HR functions carried out by the government sector organizations. Now the researcher is going to analyze the private sector organizations.

4:3 HR Practices at Selected Private Sector Undertakings

4:3:1 Apollo Tyres Ltd

Apollo Tyres Ltd is a high-performance company and the leading Indian tyre manufacturer. Head quartered in Gurgaon, a corporate-hub in the National Capital Region of India, Apollo is a young, ambitious and dynamic organization, which takes pride in its unique identity. Registered as a company in 1976, Apollo is built around the
core principles of creating stakeholder value through reliability in its products and dependability in its relationships.

The history of the company dates back to the early 70s. In 1972, license was obtained by Mr. Mathew T Marattukulam, Jacob Thomas and his associates. The company was taken over by Dr. Raunaq Singh and his associates in 1974. The implementation of the tyre project took place in 1976 in Perambra (Kerala). In 1977 commercial production began with an installed capacity of 420,000 each of tyres and tubes.

Recruitment is done through advertisement and a good opportunity is given to the child of worker and this increases family loyalty towards the company. They are called for interviews and the chief executive takes the final decision.

The management staff can be mainly classified Technical and Non-technical staff. The qualification required for technical staff is B. Tech or Graduate Engineer Trainee and non-technical staff required CA/ICWA/MSWA/MBA/MA (PM). After training they are absorbed as officers by considering consistency in academic performance, group discussion and personal interview.

The required minimum educational qualification for worker is 8th standard, minimum height is 168cm. and minimum weight is 50kg. The more weightage is given to the dependant of employees. All those who are selected will be placed as production apprentice for three years and training in production for one year.

The company provides 2 days induction training for workers, 7 days for associate managers and 15 days to one month for management staff.

The organization provides training programme in both internal and external levels for managers and workers. A three dimensional skill frame work is used to identify the training needs. The training system includes – need identification, setting objectives, training design, training implantation, training evaluation, and training impact.
assessment. The areas focused by the company for providing training to its management staff are conceptual, functional, cross-functional, and behaviour. And for workers they provide training on systems, technical aspects, work culture, and specialized training for trade unions. The amount spent by the company for the training of their employees for period of one year is 26 lakh rupees. The various training programmes like training on communication and interpersonal skill programme for associate managers and managers; training on Jyothirgamaya for blue collared employees which provide information regarding the changes happening in the industrial field; safety and fire training conducted for blue collared workmen with a view to develop multi skill among engineering trainees; on each working day about 6-7 employees are selected for training in a classroom atmosphere, about the productivity, quality and scrap reduction; and the employees are provided training especially about the company and the tyre industry in general.

Six Sigma introduced on April 16th 2007, is basically meant for increased production and for running the organization profitably. It uses the concept of avoiding unwanted expenses using scientific techniques with a disciplinary approach. A Six Sigma organization means the 3.34 defects, parts per million. It is used for achieving unexpected growth in the organization. It also helps to find out waste and to develop high quality products.

Performance appraisal is carried out by employee development review (April – March), Three – tiered system, Goal setting, and mid – year review of goals.

All supervisory personnel are required to open an SB account with South Indian Bank, and intimate the account number to the accounting department who in turn will remit the salary. In case of non supervisory personnel cash payment is done on the following days: for staff and service staff the last working day of the month, and for production engineer the 7th working day of the succeeding month. The pay scale of worker is Rs.2,500 – 6,000; junior executive (E1) is Rs.25,000; executive (E2) is Rs.30,800; senior executive (E3) is Rs.33,300; asst. manager is Rs.37,500; manager is Rs.45,830; group manager is Rs.66,660; divisional manager is Rs.1,25,000, and MD is Rs.1,66,660.
Addition to this pay scale, the management staff get benefits like: group hospitalization scheme, group personal accident policy, 2 wheeler scheme – 40% borne by the company, car scheme for assistant manager and above and employee self development scheme. The workers get benefits like: group personal accident policy, medical claim, 50% housing loan interest subsidy, 70% 2 wheeler interest subsidy, financial assistance co-operative society, and periodical medical checkup.

Promotion is purely based on seniority, attendance and performance. A computerized punch card system is followed to record all these in a systematic way. A well maintained pay roll system exists. Absenteeism is being found out and proper reasoning obtained.

There exists a good industrial relation in the company. The management and the employees jointly find the solutions for the problems. There exists a good relation with employer and employee. There are mainly four trade unions recognized by the company. They are: ATEU – Apollo Tyres Employees Union, ATWN – Apollo Tyres Workers Movement, INTUC – Apollo Tyres Staff and Workers Union, and BMS – Apollo Tyres Mazdoor Sangh.

The organization provides good welfare services to its employees. The company runs a subsidized canteen on contract basis. Rest rooms with locker and washing facility, arts and sports club and well maintained library are other facilities. A well transportation facility is given to all employees from different destinations for which they have to pay a nominal amount. All employees drawing salary below Rs.6000 are covered under group accidental policy and mediclaim policy.

The various schemes for the employees are:- employees deposit linked insurance scheme, workmen’s compensation scheme, group hospitalization scheme, canteen facilities, transport facilities, and housing loan interest subsidy.
The employees working in the night shift get 200ml. of milk packet. It is given to retain their lost energy and acts as a tool for motivation of such extraneous work. Apart from that soaps are distributed for the cleanliness of the employees; each worker gets 3 soaps free of cost per month.

The statutory welfare activities like: ESI and Gratuity; and grievance settlement activities like: Group Saving Linked Insurance Scheme (GSLIS), Group Personal Accident Insurance Scheme (GPAIS), and Group Mediclaim Insurance Policy (GMIP) are provided in this organization.

A leave book is maintained and it contains: leave balance, leave credited, and leave waited. The daily attendance report for the employees specify the following: section/department, shifts, date, clock number, grade, hours worked, and schedule shift. Apart from that a punching system is maintained, in which the employee has to punch the card while arriving for duty, also to repeat the same while leaving. Attendance is cross checked with the attendance report of the workman and the attendance register is maintained at various sections. The daily attendance report is verified by the superior, shift engineer, shift superintendent, and department head.

The working hours in this organization is classified into four shifts. The timing of shift A is 6am. to 2pm., shift B is 2pm. to 10pm., shift C is 10pm. to 6am., and shift G (General) is 9am. to 5pm.

The company provides health safety aspects like full time doctor, ambulance, dispensary, and medical checkup and due consideration is given to environmental safety aspects by maintaining eco-friendly surrounding and pollution free work practice. Periodical auditing of work spots are carried out by the safety officers from the angle of health and safety of employees. Any unusual sound, smell or any other observation are bought to the notice of the concerned department in charge. The work methods of employees are observed and recorded. The number of fire extinguisher, their maintenance and refill status are observed and recorded.
In job safety the critical jobs are studied in detail especially the jobs causing frequent accidents and damages. All the possible causes of accidents are analyzed and appropriate methods are advised. When an accident occurs, the safety committee conducts proper investigation to find out the basic reason for the accident. The company has a safety ladder and it shows accidents which occurred in various sections of the production department. It helps the employees and supervisors to know in which section major accidents occurred. So it acts as the base for future decisions related to safety. For maintaining safety they follow ‘ABC’ safety policy (i.e. Always Be Careful).

The doctors present at Apollo Tyres Ltd. as medical officers, cater to the medical need of the company. The various services provided by the medical officers are: Casualty services – the injured will be provided first aid by medical officers and for further treatments they are referred to nearby hospitals. If the injured require any leave or rest, then a brief investigation report will be prepared and submitted; Medicines – basic medicines will be available in the first aid counter; Advisory services – advisory and counseling services are provided to employee with regard to their physical and mental problems; Record keeping – a chart called L chart is maintained for the employees where all details regarding the employee disease are recorded; and Classes and seminars – medical officers conduct classes and seminars regarding the harmful effects of alcohol, drugs, smoking, etc.

These are the important HR functions carried out by Apollo Tyres Ltd. Now we can deal with the HR practices carried out at Carborundum Universal.

4:3:2 Carborundum Universal (CUMI)

CUMI was founded in 1954 as a tripartite collaboration between the Murugappa Group, the Carborundum Co., USA and the Universal Grinding Wheel Co. Ltd., U.K.

The Murugappa Group, headquartered at Chennai, India, is a USD 2.4 billion (Rs.96 billion) conglomerate with interests in engineering, abrasives, fertilizers, finance, bio-
products and plantations. It has 29 companies under its umbrella, of which six are listed and actively traded on the National Stock Exchange and the Bombay Stock Exchange. Together, they have over 32,000 employees.

The business has its origins in 1900, when Dewan Bahadur A.M. Murugappa Chettiar established a money-lending and banking business in Burma (now Myanmar), which then spread to Malaysia, Sri Lanka, Indonesia and Vietnam. A century down the line, it has withstood enormous vicissitudes (including strategically moving its assets back to India and restarting from scratch in the ’30s, before the Japanese invasion in World War II) to become one of the country's biggest industrial houses.

In CUMI human resource planning is done on the basis of annual personnel budget. This budget will be the basis for recruitment of additional hands as well as for succession planning. The personnel budget gives the total reflection on division cum department wise requirements. The budget will clearly indicate the existing manpower strength, Proposals for addition and deletion of employees, revised strength, and remarks in respect of management staff, unionized staff and operatives as per the prescribed format.

CUMI asks the authorities to prepare job description and job specification. In job description, the company lists out duties and responsibilities specifically involved in each job and in specification they mention required skills, qualities, education, experience, etc. required for carrying out each job. This will indeed help the organization to carry out various HR functions like: human resource planning, procurement and induction.

The basis for recruitment of additional employees in CUMI is the annual budget, which is approved by cooperate personnel. Once the annual personnel budget is approved the departments have to raise an employee requisition form and send the same to GM – Personnel for further processing. Once the vacancy has been approved, the sources of recruitment will be analyzed and identified. Here both external factors like - Data bank maintained by corporate personnel, Personal references, Educational institutions or professional associations, Consultants, and Advertisement and internal factors like –
Transfers, Redeployment of surplus staff, Promotion, and Deputation from group companies are considered for the recruitment function.

After recruitment, the initial screening and short listing of candidates will be done by corporate personnel along with respective functional heads. Corporate personnel, in coordination with the respective functional representatives, will fix the date and venue of interviews. The number of candidates to be called for interview vis-a-vis the vacancy should be in the ratio of 4:1 minimum.

The number of persons in the interview panel to select candidates at all levels should be a minimum of 3 numbers and maximum of 5 numbers. In case of specialized category, the panel should consist of a member who is thorough with that specialization.

All interview assessment will be recorded in the prescribed format. Only candidates who secure an overall rating of 3 i.e. above average should be considered for selection. There will be unanimity in the selection. In the absence of unanimity re interviews with a different panel may be conducted.

While making final short list, one candidate will be kept up as a back up candidate in the event of the first candidate not joining or taking up the offer. Further the post being interviewed will have a minimum choice of at least four candidates.

The certificates of the candidate will be scrutinized by corporate personnel prior to and after selection for management staff and unionized categories. The following certificates will be scrutinized by the authorities: proof of date of birth/ age, educational qualification, past employment details, present salary details, and proof of extracurricular activities/ major achievements.

The pre-requisite for all permanent employment is that the candidate should be medically fit. In respect of local candidates, i.e. those with in the vicinity of Madras city should be done by the company medical officer and the report should be forwarded directly to
In respect of outstation candidates, the medical examination should be done by a doctor with a minimum qualification of MBBS and the report should be forwarded to corporate personnel by the incumbent. The company shall reimburse all expenses that may be incurred by the candidate on the recommendations of the doctor.

Selected candidates shall be sent the offer letter in the prescribed format duly signed by the divisional head. Corporate personnel shall in coordination with the respective division fix the salary, designation, and place of posting and arrange for dispatch of offers.

The candidate on joining should submit a joining report duly certified by the divisional head and forwarded to corporate personnel. Copies of the following documents like: age proof, educational qualifications, past experience records, relieving letter from the last employer, PF and PRF declaration forms, and health declaration forms should be submitted along with the joining report.

Corporate personnel shall in coordination with the respective divisional head prepare an orientation programme for the new employee.

For management staff, induction programme includes visit to all branches of the company and they should collect the required data from each plant. But employees will get awareness about their job directly from their own work environment. Before this all staffs will get direct introduction about their job, organization, work environment, safety and health measures etc from senior HR-personnel.

Placement is understood as the allocation of people to jobs. In CUMI after an employee has been hired and oriented, he or she is placed his or her right job. In CUMI placement arises in the case of new appointment, transfers, and promotions.

The company’s training policy is based on the firm conviction that the development of human resources is important for the success of the organization. The objectives to be achieved by the company’s training policy are: to impart knowledge and develop skills of
all categories of employees for improved operational efficiency and effectiveness, to equip employees to shoulder greater responsibilities in future for promotion to higher levels, to update employees on developments in technology and to apply knowledge in their work situation, to provide an opportunity for every employee to develop his/her potential, and to train employees to match with the company’s as well as individual’s growth needs. To achieve the objectives, the In-house and External training programmes are undertaken for employees.

The training needs analysis, identified in the appraisal forms reveals the areas of training required for the employees. According to the needs training department will prepare an annual training schedule and is circulated to all SBU chiefs. Before the training programme is conducted, memos are circulated indicating the type/name of the programme, collaborating agencies, duration of programme and course content to all SBU chiefs along with the names of employees, previously identified from the performance appraisal. The SBU chiefs shall nominate employees whom they consider would benefit from the programme. For all In-house programmes for employees budget provision will be made by the training department and the faculty for In-house training programme will consist of both external and internal persons. For In-house training programmes, the employees will be entitled to claim only half of the flat daily allowance applicable to that particular category. All In-company programmes will be evaluated by all the participants. Such feedback will be used by the training department, to improve the quality and structure of future programmes.

External training programme is basically to gain specific skills and knowledge in key areas. Based on the identified training needs in the appraisal form, training department will prepare a calendar of programmes available in the country and identify programmes for individuals. The annual training calendar will be circulated to divisional/functional chiefs for their approval. Thereafter the training department will make nominations for the programmes on recommendation from SBU chiefs. External training programmes, where the training fee is above Rs.5000 will need the approval of the executive director. All other programmes will have to be approved by vice-president. The nomination forms
should be forwarded to corporate personnel at least a month before the programme. Divisional heads are responsible for providing necessary funds, in their budget for all the external training programmes for the financial year. When an employee is sent for training, he will be entitled to claim the allowance in accordance with the travel rules.

All in-house programmes will be evaluated by all participants. Such feedback will be used by the training department, to improve the quality and structure of future programmes. The employees who attended external training programme should submit training evaluation in the specified format.

Training evaluation should be forwarded to manager-HRD through the divisional heads within a week of completion of the training programme. If there is any interesting course material which can be shared by colleagues that too should be forwarded to manager-HRD. The employee should also be prepared to present salient features at study circles.

The salaries paid to the employees do have a statuary structure which includes Basic + D.A + HRA + Other allowances. Other allowances are: Shift Allowance, Heat Allowance, Variable Pay, Bonus, OT Allowance, Conveyance, Education Allowance, and Washing Allowance.

The company provides shift allowance to its employees. There are three shifts in the company: A shift -12.00 AM- 8.00 AM, B shift - 8.00 AM- 4.00 PM, & C shift - 4.00 PM- 12.00 AM. Employees get a particular amount for each shift. The highest amount is paid to the employees who work in the 12.00 AM to 8.00 AM shift. For reducing the burden of A shift employees the company follows a rotation system. Accordingly all employees in the production department have to work in these three shifts.

The next allowance is heat allowance. This is applicable only for the employees who work in the furnace department.
Variable pay will be based on three performance criteria’s: namely company performance, department performance and individual performance. Company performance payment is according to the total output of the company. Department performance payment is based on the performance of the various departments. Whenever an employee works in different departments, variable pay will be calculated based on the departments where he has worked more than 15 days. Individual Performance is based on the attendance, 5’s zone audit score, and PPE complaints. If there is no leave in one month the employee will get Rs.250 as incentive. If the leave is more than two and half, they won’t get anything. If the 5’s score is 50 for their department, they will get Rs.50 and if it is 90 they will get Rs.275. If there is no complaint against an employee in case of using PPE, he will get Rs.100 as an incentive. If the number of complaints is more than 2 they won’t get anything.

The company provides bonus to its employees as per the provisions of payment of bonus act of 1965, it is based on productivity of the company. But for last few years bonus is 20% of basic and DA. But if the 20% is more than Rs 3500, maximum payment of bonus is Rs 3500.

Over time work is very rare in the company. If it happens payment is double the basic and DA. One day payment of basic and DA is calculated on the basis one month-240 hours.

The company provides conveyance of Rs.340 for all employees and is applicable from the date of joining. They also get Rs.780 as educational allowance and Rs.198 as washing allowance.

Executive remuneration generally comprises of following elements: Basic + HRA +Perquisites + Bonus. Because of the secrecy maintained in executive remuneration, there is no idea about the basic, HRA and bonus paid to the top level management. Perquisites includes interest free festival advance, cash assistance to management staff required to work on holidays or off days to meet expenses on conveyance, lunch etc,
encashment of privilege leave up to 240 days at the time of retirement, company provides financial help to management staff to visit their home town during annual leave, company helps staffs who are posted too far off places by granting leave to compensate days spent on travel, company provides senior executives with a company car for use on official work, company provides conveyance reimbursement for management staff, who own a car or scooter and use it for official purposes, company provides financial assistance for purchase of two wheeler, financial assistance to employees in the management staff cadre who are transferred from one location to another, telephone expense, furniture scheme, interest subsidy housing loan, company housing for senior executives etc, and laptops to eligible management staff.

Welfare refers to the physical, mental, moral and emotional well being of an individual. For this purpose CUMI provides following services: Company provides 3 sets of uniform and 2 pairs of socks every year. The company gives one towel every month and turkey towel twice in one year. Company provides 3 number of pears soap per month for each permanent and regular employee.

The company provides food at a subsidized rate in company’s canteen for all employees. For breakfast employees have to pay only 10 paisa per piece. For lunch and supper, they get food for Rs.1. Morning and evening teas are free and for snacks they have to pay only 10 paisa per piece. For meals they get specials like egg and curd by paying 40 paisa and 15 paisa respectively.

The management, in the unfortunate event of an employee dying while in service, shall pay a maximum of Rs.10000 to the family towards funeral expenses. The company will pay a sum of Rs.75000 as death relief to the legal heir of the concerned employee on submission of the relevant documents.

The company gives due consideration for the welfare measures inside the work place. CUMI maintains a very good and beautiful work environment and it includes: neighborhood safety and cleanliness; housekeeping, up keeping of premises- lawns,
gardens etc.; workshop sanitation and cleanliness, ventilation, lighting, elimination of dust etc.; workmen’s safety measures- providing helmets, masks, shoes etc.; and management of rest rooms, reading room and library

The welfare measures outside the work place includes: transportation in the absence of normal buses; watch and ward, security; yearly medical check up for all employees; and housing allowance, vehicle allowance, etc for management staff.

All employees are provided with safety shoes, gloves, masks and helmets. Whenever the employees are inside the plant it is compulsory to take the above precautions. All departments of the plant are fitted with dust eliminators. Safety posters with touching illustrations and penetrating slogans are put up on the walls near workplaces. Company provides special allowances to employees; who do have any complaints about safety measures every month.

CUMI provides following health services to their employees: pre- hiring medical check up for all employees, periodical physical check up of all employees (every Saturday), first aid treatment following an accident, yearly medical check up for all employees, provision of healthy food, and tree planting.

Carborundum company employees have two recognized unions in their organization. They are: Carborundum Universal Employees Union (CUEU) and Carborundum Universal Labour Union (CULU). Even though both unions are independent, their outside leaders are politicians. These unions take active part in the following subjects: problems related with performance linked variable pay, promotional policy of the company, wage and salary administration of employees, at the time of recruitment, and negotiations related with all types of well being of the workers at the time of LTS (Long Term Settlement).
Performance appraisal is a technique to find out the relative worth of a job holder, and is used to motivate the employees to perform their duties more efficiently and effectively. Its objective is to have a system of rewarding outstanding employees.

In Carborundum performance of every employee will be evaluated based on rating factors like: quality, enterprise and problem solving, attendance, communication, attitudes, and any other significant quality. This will be done by the concerned sectional head and recommended for the reward. Departmental heads will study the recommendations forwarded by sectional heads and if found suitable, grant approval to suitable employees. A copy of the recommendations is to be forwarded to corporate personnel for information.

Only less than 5% of the divisional population will be considered for the reward in a year and reward will be made in the month in which the yearly increment falls due. This reward is onetime payment and will not attract any statutory benefits like PF, bonus etc.

In Carborundum, worker’s participation mainly takes place in the following areas: At the time of LTA, salary and other benefits are fixed on negotiation with employees, communication meetings are one of the platforms for employees to give suggestions, everyday departmental meetings are held in all division prior to starting work and there is a suggestion committee in the organization to encourage the employees to bring out their ideas for work improvement, methods improvement, productivity improvement and cost reduction, there by participate in the company operations for the benefit of the company as well as the employees. For better suggestions they will get rewards. They can give suggestions in the following areas: to improve productivity in any section, equipment or machinery, new methods or device improvement for simplification of work, to improve quality of product, maintenance or service, improvement of general upkeep and cleanliness, elimination of wasteful practices, reduction in pilferage of material, and process improvement cost reduction.
In case of internal promotion from non management employees to management cadre, Carborundum Company follows the following procedure. As and when vacancies arise in management staff cadre, the concerned department will intimate the details of such vacancies to corporate personnel through the concerned divisional head along with a list of candidates available in the department or division to be considered for the position.

The corporate personnel will verify the budget provisions and if provided in the sanctioned budget will take the following steps: Prescribe the job specification such as age, qualification, experience, minimum years of service etc. Inform all the functional or divisional heads of the vacancy and call for candidates to be considered for the vacancy. On receipt of recommendations, prepare a list of eligible candidates available in other functions or divisions to be considered for promotion. Arrange for interview by a committee consisting of concerned department head, where the vacancy has arisen or his nominee, executives of the same discipline from another division, and personnel manager.

The following are the rating criteria considered for the interview and selection.

*Table: 4:1*

<table>
<thead>
<tr>
<th>Rating factor</th>
<th>Weightage</th>
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</thead>
<tbody>
<tr>
<td>Appearance and Poise</td>
<td>3</td>
</tr>
<tr>
<td>Qualification</td>
<td>3</td>
</tr>
<tr>
<td>Relevant Experience</td>
<td>5</td>
</tr>
<tr>
<td>Inductive Reasoning or Analytical Ability</td>
<td>3</td>
</tr>
<tr>
<td>Communicative Abilities</td>
<td>3</td>
</tr>
<tr>
<td>Potential for Growth</td>
<td>10</td>
</tr>
<tr>
<td>Leadership Qualities</td>
<td>10</td>
</tr>
<tr>
<td>Self Propelling</td>
<td>5</td>
</tr>
<tr>
<td>Emotional Stability and Maturity</td>
<td>5</td>
</tr>
<tr>
<td>Team Spirit- Work Relationship</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

*Source: Company Records*
The minimum marks to be obtained for consideration to promotion is 60%. The committee will send its recommendation to Vice-President Personnel or concerned divisional head within 3 days of the holding of the interview. In case of difference of opinion in the committee the matter will be reviewed by Vice-President Personnel and the concerned divisional head and a decision taken. If the matter is still not resolved, this will be referred to executive director for his final decision. The selected candidate will be issued promotion letter in duplicate by their division or functional heads specifying therein the terms and conditions. The candidate will forward the duplicate copy duly signed as token of acceptance, to the corporate personnel. Corporate personnel will advise corporate finance about the changes. The candidate will be on probation for 6 months, during this time if he/she is not found suitable, appropriate action will be taken as per company rules. In case no suitable candidate is available internally, the position will be filled by external recruitment.

In Carborundum company transfers take place only in management cadre, not in workers category. According to the requirements in other plants of Carborundum management staffs are transferred.

Retirement of all employees will be done only once in every calendar year on 31st December on attaining the age of superannuation (58 years of age, both for management staff and non management staff). Employees who attain age of superannuation between the months i.e. January to December will retire only on 31st December of that calendar year.

VRS is used to reduce staff strength rather than retaining surplus labour and continuing to pay them idle wages. Carborundum, Koratty plant had announced a VRS in 2002 for its workers and they reduced the number of workers from 115 to 44.
Through these HR functions the company tries to create positive impact on employees’ productivity. The researcher will now elaborate about HR functions carried out in South Indian Bank (SIB).

4:3:3 South Indian Bank (SIB)

One of the earliest banks in South India “South Indian Bank” came into being during the Swadeshi movement. The establishment of the bank was the fulfillment of the dreams of a group of enterprising men who joined together at Thrissur, a major town (now known as the Cultural Capital of Kerala), in the erstwhile State of Cochin to provide for the people a safe, efficient and service oriented repository of savings of the community on one hand and to free the business community from the clutches of greedy money lenders on the other by providing need based credit at reasonable rates of interest.

Translating the vision of the founding fathers as its corporate mission, the bank has during its long sojourn been able to project itself as a vibrant, fast growing, service oriented and trend setting financial intermediary.

The milestones of SIB are:

- The first among the private sector banks in Kerala to become a scheduled bank in 1946 under the RBI Act.
- The first bank in the private sector in India to open a Currency Chest on behalf of the RBI in April 1992.
- The first private sector bank to open a NRI branch in November 1992.
- The first bank in the private sector to start an Industrial Finance Branch in March 1993.
- The first among the private sector banks in Kerala to open an “Overseas Branch” to cater exclusively to the export and import business in June 1993.
- The first bank in Kerala to develop an in-house, a fully integrated branch automation software in addition to the in-house partial automation solution operational since 1992.
- The first Kerala based bank to implement Core Banking System.
The third largest branch network among Private Sector banks, in India, with all its branches under Core banking System.

The South Indian Bank with a new logo and image marches on. With branches all over India and a clientele across the world, the bank is considered one of the most pro active banks in India with a competent tech savvy team of professional at the core of services.

Human Resources policies and practices of the Bank focus on attracting, motivating and retaining qualified & skilled manpower. Concurrent with these objectives, steps are taken to improve manpower efficiency. Given the market challenges, there has been considerable focus on optimizing the existing resources - through internal job postings, transfers and skill development initiatives. Training and development has assumed significant importance. The Bank's Staff Training College identifies the gaps in resource capability of the personnel and train them for qualitative improvement. During the financial year, Bank could provide training to 1272 of its Officers, 990 clerks and 285 sub staff in different facets of Bank's operations.

The potential applicants are attracted to this firm through two ways. The first method is employee references and other one is advertisement in their own web site. When vacancies for probationary officers arise the company will intimate it to its employees for getting potential references and the public will be attracted to this concern through the advertisement published in their web site.

In the selection process the following steps are followed according to its relevance. The steps are: screening the application, on-line test at special centers, group discussion, psycho analytical test, personnel interview, off-the-job training for 9 months, on-the-job training, and placement

All new comers get direct introduction about their job, organization, work environment, safety and health measures etc from responsible persons. The Bank has continued to lay great emphasis on human resource development, to make its employees attain global
standards in productivity, thereby maximizing value creation for its stakeholders. Accordingly, the staff of the Bank, numbering 1,344 as on March 31, 2000, has undergone significant training in a variety of training programmes at regular intervals during the year. As many as 878 employees attended training programmes during the year, both domestic and overseas, and the average training per person was 37 hours, which compares favourably with international benchmarks. The employees form the backbone in all the initiatives undertaken by the Bank, which remains committed to constantly upgrading their skills through training to ensure constant improvements in performance. A performance bonus scheme provides wide ranging incentives to employees.

Pacing with the Bank’s significant growth, the Bank has engaged itself in major talent acquisition and articulation of retention policies in the FY 2011-12. The Bank is envisaging having staff complement of 7,500 employees on its rolls by March 31, 2013. To achieve this target, Bank has embarked upon recruitment drive to acquire manpower of required skills. The total number of employees as at the yearend was 5,879. This growth in personnel has been dovetailed with the business growth target of the Bank. Of the total 5,879 employees, there are 764 Postgraduates, 700 Management Graduates, 397 Engineers, 88 Law Graduates, 63 Chartered Accountants, 24 Cost Accountants and 2 Ph.D.s.

The major skill acquisition initiatives of the Bank include local general recruitments and campus recruitments. During the year the Bank has recruited 294 officers and 346 clerks. Of the officers joined, 174 are MBA graduates, 60 Engineering graduates and 20 Chartered Accountants. The Bank also selected 400 persons through general recruitment as Clerks.

As on March 31, 2012, the Bank has got 5879 personnel on its rolls. Cadre wise break up is in the following table:
The average age of employees of the Bank is 38 years. Out of the total number of staff members, 46% comes below the age of 30 years.

Maintenance of staff records was streamlined under "HRMSS" (Human Resources Management System Software). The personnel data can be accessed by all controlling offices and various reports based on the data can be generated. To make HRMSS more comprehensive the Bank has included more modules like training, Gratuity, Deputation etc. in it.

In order to motivate and enhance the level of ownership and loyalty of the Bank employees, the Bank has modified the existing service conditions like HRA, Conveyance allowance etc. of all cadres.

Staff Welfare Scheme (SWS) 2011 was introduced in the FY 2011-2012 offering job opportunities to the children of staff members in officers/clerical/subordinate cadres. 17 Probationary Officers, 35 Probationary Clerks and 21 Probationary Peons were selected under this scheme.

During the financial year 2008-09, the Bank instituted an Employee Stock Option Scheme to enable its employees to be a partner in the future growth and financial success of the Bank. The Banks" shareholders approved the plan on August 18, 2008 for the

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### Table: 4:2

<table>
<thead>
<tr>
<th>Cadre</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers</td>
<td>1925</td>
<td>753</td>
<td>2678</td>
</tr>
<tr>
<td>Clerk</td>
<td>1241</td>
<td>1154</td>
<td>2395</td>
</tr>
<tr>
<td>Peon</td>
<td>533</td>
<td>24</td>
<td>557</td>
</tr>
<tr>
<td>Part-time employees</td>
<td>96</td>
<td>153</td>
<td>249</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3795</strong></td>
<td><strong>2084</strong></td>
<td><strong>5879</strong></td>
</tr>
</tbody>
</table>

*Source: Company Annual Report*
issuance of stock options to the employees. Compensation and Remuneration Committee of the Board on November 21, 2009 has recommended to the Board to grant options at a discount of 10% on the closing price of the shares quoted on NSE on November 20, 2009. Under SIB ESOS 2008 (1st Tranche) the Bank granted 3,07,25,000 options to eligible employees. Further, Compensation and Remuneration Committee of the Board on October 21, 2010 has recommended to the Board to grant options at a discount of 10% on the closing price of the shares quoted on NSE on October 20, 2010. Under SIB ESOS 2008 (2nd Tranche), the Bank granted 5,10,500 options to eligible employees. Further, Compensation and Remuneration Committee of the Board on February 16, 2012 has recommended to the Board to grant options at a discount of 10% on the closing price of the shares quoted on NSE on February 15, 2012. Under SIB ESOS 2008 (3rd Tranche), the Bank granted 9,42,000 options to eligible employees.

Till March 2012, 90,34,050 stock options vested, out of which 36,93,530 stock options were exercised by eligible employees. The money realized due to exercise of the said options was Rs 4,77,57,342.90 and consequently 36,93,530 shares of Rs 1/- each have been allotted to the concerned employees/legal heirs.

The total options granted under three phases of SIB ESOS 2008 works out to 2.84% of the paid up share capital of the Bank as at March 31, 2012. The scheme has generated intended motivation amongst the staff. With a view to maintain highest standards of personal ethics, all the Directors of the Bank including the Chairman and Managing Director & CEO have voluntarily decided not to accept any stock options, though the shareholders of the Bank were gracious enough to permit grant of stock options to all the Directors of the Bank during the 80th Annual General Meeting.

"SIBLINK", Bank’s corporate in-house magazine, has been functioning as an internal PR tool educating and motivating the staff for better performance and is published every quarter.
"SIB-Executive Brief" - a daily news update on Banking, Finance, Economy, Industry, Market Rates etc. is being provided by SIBSTC. It is e-mailed on a daily basis to Board members and to the executives and it is also made available at SIB-Insight for access to all the staff members.

The Bank has completed 12 online tests through E-learning Application during the year 2011-12. There were various topics covered during these tests such as Banking procedures, Bank’s Operations Manual etc. Prizes were awarded for the toppers in these tests. It is encouraging to know that the learning process is taken up with great enthusiasm and competitive spirit, the fruit of which is visible in the increasing number of branches/ offices emerging as toppers. The E-learning platform will be utilized increasingly for improving the knowledge level of the staff members.

The Bank has since migrated to issuance of e-circulars in place of manual circulars. All the circulars of the Bank are uploaded using the "e-circular software". In e-circular, Bank’s Policies, Guidelines and Forms are also uploaded so as to empower the branches with readily accessible pool of information/ guidelines.

During the year there were no employees in receipt of remuneration covered by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended vide GSR 289 (E) dated March 31, 2011 [Companies (Particulars of Employees) Amendments Rules, 2011].

The Bank accords utmost importance to human resources development. Training programmes are conducted at SIB Staff Training College (SIBSTC), Thrissur and at 7 Regional Training Centers (RTCs) at ROs for enhancement of professional capabilities of the staff. The training programmes are designed for skill enhancement and also to imbibe SIB culture through an effective learning process. The success of these programmes reflects on the enhanced organizational productivity. SIBSTC and the RTCs identify gaps in skill of the personnel and provide learning to them for qualitative improvement. During the year 2011-12, the Bank imparted training to 2,151 officers, 1,454 clerks and
237 sub-staff in various aspects of banking operations. Thus, the Bank could provide training to a total of 3,842 of its personnel, which is about 65% of total staff strength of 5,879 as on March, 31 2012. This is in consonance with the Bank’s vision towards continuous up gradation of skills to ensure that the staff members meet the rising expectations of customers and discharge services professionally covering the entire gamut of banking operations.

During the year under reporting, many IT training programmes in relevant areas were attended by the Bank’s resource in premier institutions such as IDRBT, NIBM, IIM etc. to equip themselves abreast with the advancement and rapid changes in IT. Promotion is provided mainly on the basis of merit and seniority basis.

The company gives due consideration for health aspect of their employees. For this they conduct health camp for their employees and also provide medical claim facilities to its employees.

The employees are eligible for loan facility. The company provides home loan and vehicle loan to its employees at very low interest rate.

These are the important personnel management activities carried out by the company for ensuring employee welfare. Next we deal with the HR functions of KSE.

4:3:4 Kerala Solvent Extractions Ltd. (KSE)

Kerala Solvent Extractions Limited now known as KSE Ltd., entered in the solvent extraction industry in 1963. They set up the very first solvent extraction plant in Kerala. The traditional coconut oil industry in the state was facing a decline then. Though the largest producer of Copra in the country, as much as 80%, Kerala lacked the infrastructure to exploit the potential of its abundant produce. While oil industry in other parts of the country was thriving, in Kerala it was struggling.
The Dr. P.S. Loknathan Committee set up to study the feasibility of starting new industries in Kerala, recommended the establishment of three solvent extraction plants and one of them in Thrissur district. Oil mill owners in and around Irinjalakuda, who thought on similar lines saw the opportunity and took the initiative to establish a solvent extraction unit named KSE Ltd. The Company was registered under the Companies Act 1956, with its registered office at Irinjalakuda on 25th September 1963.

The pioneering plant of KSE Ltd at Irinjalakuda is unique in many ways. It is the first solvent extraction plant in Kerala. It is the first major factory in the locality, spread over 15 acres. It was here that KSE set up its first cattle feed plant.

The last three decades have seen KSE emerging as a leader in solvent extraction and ready mix cattle feed in the country. Today KSE commands the resources, expertise and infrastructure to manufacture a range of livestock feed in high volumes.

Driven by commitment to high standards of quality, KSE has not only won customer confidence but also national recognition through several awards and accolades. With modern manufacturing facilities spread over three states, KSE caters to the vast belt stretching across Southern India and enjoys a significant presence in exports too.

Since the early days KSE has endeavored to supply its products to customers through an extensive network of dealers and retailers, which form a dedicated force behind the success of KSE, it is a matter of pride, that KSE is a household name today.

K.S.E. Limited has a separate personnel department. The personnel department is responsible for the recruitment, selection, training, and fixing remuneration. Recruitment is the most important function of personnel administration. It is the first process of employment, which helps in providing the adequate manpower resources for the organization.
The first step in the process of recruitment is to publish an advertisement regarding vacancies in the local newspaper. Then Personnel Manager receives application from prospectus candidates which give main facts regarding their education and experience. In case the number of receipt of application exceeds the actual requirement, he screens it to reduce the number.

K.S.E. Limited has a sound recruitment and selection policy. The Personnel Manager has to identify the recruitment needs and then be chooses the sources of recruitment.

K.S.E. adopts the common and effective method of advertisement for the recruitment of skilled personnel. The company puts up an advertisement in the newspaper either in the classified advertisement or in the form of display advertisement. The name of the post, educational qualifications experience in the relevant field of activity and scales of pay are all clearly given in the advertisement. Applications are collected and it is properly sorted in to different categories. There is no a particular method for the recruitment of unskilled persons.

Another duty of the Personnel Manager is the selection of the suitable and promising candidates to fill up vacancies. The first step is the selection of employees while sorting out of applications, in the case of skilled personnel. It will help the personnel manager to reject the applications of those candidates who do not possess the required qualification.

For the selection of unskilled worker, they have to satisfy the following three conditions: he has completed primary education; he falls with in the age group of 25-30 years, and is residing within 5 Km. radius of K.S.E. Limited. The object behind the first criteria was that educated employees require respect and status and they may not be willing to do manual work in the long run. So the company decided to select the unskilled workers from candidates with primary education. For increasing the efficiency of work they decided to select workers within 25-30 years of age. Above all they will be more healthy and mature.
Skilled workers are selected subject to the following conditions. He will be selected if: he has completed S.S.L.C. and I.T.I., and he falls within the age group of 21-30 years. They will have written test and interview conducted by the committee of Directors.

Electrician and Boiler operators are the skilled workers. Electricians will be asked questions relating to electrical operations of machines. Boiler operator may be asked about boiler and its parts.

Candidates who are graduates would be suitable for the post of clerk. Office staff must be a commerce graduate, and will have written test and committee of Directors interviews them. A M.B.A. holder is eligible for the post of marketing manager. A Security-cum-cost accountant must complete CA/ICWA/Cost accountancy/company secretarial test.

The conditions for the selection of security staff are: he must be an ex-service man, he must be in Army/Navy for 15 years, and he must fall within 35-40 years of age.

Skilled workers like boiler operator and electrician must have completed S.S.L.C. and apprenticeship training is imparted to boiler operators for 2½ years and its 1 year for electrician. During that period, they will be given a stipend at the stipulated rate. They are given outside training also. If the company is satisfied about their training, they are treated as permanent workers otherwise, the training period will be extended or they may be terminated.

Employees are liable to be transferred from the one department to another or from one section to another according to discretion of the management. Employees are also liable to be transferred from the company at Irinjalakuda to any other establishment or branches of the company inside or outside the state of Kerala. In the case of daily rated employees such transfers will be made only on a temporary basis and restricted to any other establishment or branches of the company in the district of Thrissur. The other terms of transfer remain the same.
If the employee, does not report for duty at the office to which he is transferred with in 10 days of the date mentioned in the transfer order and has not taken sanction of the management in writing, the employee shall be deemed to have voluntarily distinguished or left the services of the company and his name will be removed from the rolls without further notice.

E.S.I. Act 1984 extends to the whole of India. The objective of this act is to provide certain benefit in case of sickness, and employment injury. Both the employer and employee have to contribute a certain sum payable to the employee on certain incidents.

The workers who receive wages of 6500/- or below are eligible for this benefit. The employer has to contribute 4.75% and employee has to contribute 1.75 % to this E.S.I. fund. In case of sickness 90 days leave is provided with half payment of wages. But in the case of accidents, the period of leave is unlimited and 90% of the wages is paid to the injured workers. According to workmen compensation Act, the company’s liability is totally covered by ESI Corporation.

Generally there are two kinds of provident fund, i.e. Prevent Provident Fund, and General Provident Fund. But K.S.E. Limited follows general provident fund. The employee will collect the amount of provident fund on his retirement/termination.

If the employee dies while in services his dependents will get a lump sum amount of 25,000 - 37,000 under the Deposit Linked Insurance Scheme. Under the provident fund scheme, employee can take loan for the education, construction of home etc…..

As per the Central Gratuity Act an employee who completes a minimum service period of 5 years is eligible for this benefit, such employee will be allowed half month’s salary for each completed year of service.

It is usually paid to the employees at the rate of certain percentage of profit. K.S.E. Limited provides 20% of salary as bonus. But no production bonus is allowed. The
bonus is paid without considering the termination prescribed under the payment of Bonus Act.

The Company has 1,013 employees in it rolls. The Company is an exception to the adverse labour conditions said to prevail in Kerala. During its working of 32 years, the company had seldom lost man-days due to labour unrest, except a strike for 3 months in Vedagiri unit from September 2003 to December in connection with wage settlement, which had minimal effect on the working of the company as the management had made alternate arrangements for ensuring steady production and regular marketing. The management continues to maintain excellent cordial relation with its employees in all units and is attending to the grievances of its employees with an open mind.

These are the welfare activities carried out by the HR department in this company. Next we can analyze the HR functions at MIL Controls Ltd.

**4:3:5 MIL Controls Ltd**

MIL Controls Ltd is now a 100% KSB Group Company engaged in the manufacture of control valves, level instruments and associated accessories used in the process control industries like thermal power plants, oil refineries, petrochemicals, etc… having the latest technology. MIL Controls Ltd poised for a giant leap in our fast growing economy with core industries inviting huge investments.

The company started its commercial production in 1985, subsequently in the year 1989 the great United Breweries Group has acquired the management control by acquisition of shares held by Best and Crompton Ltd and Sunmar Engineering. Subsequently in 1990 UB group purchased the shares from Keltron and Masoneilan India Ltd became 100% UB Group Company.

In 1997 October M/s. KSB Germany acquired MIL Controls Ltd. from UB group. Today MIL Controls Ltd. is one of the largest control valves manufacturer in India, is wholly owned subsidiary of M/s. KSB AG Germany and KSB pumps and valves in India.
The HR department in the organization deals with manpower planning, recruitment, induction, development, policy formulation and review, HR initiatives, personal records, etc… The HR department do the manpower planning and recruitment process at the right time. The staffing policy of the company is mainly done on the basis of budgeting and forecasting which is conducted in the month of October in every year. The company recruits persons by a search for highly talented people. Normally the company follows the internal recruitment policy which means that the selection of eligible candidates is from inside the company and they apprenticed or trained inside the company. If there are no sufficient numbers of employees in various departments, it should be reported to the personnel and administration department by the department head through management process requisition form.

The urgency of employees to be appointed may be done by head office of the company. Sometimes, the company may approach consultants (for eg: MOFOI Consultants) or newspaper advertisement by indicating company’s name in it. The company recruits the energetic and brilliant people through campus selection, for their amazing technical and sales activities. The campus selection is mainly from engineering colleges, for getting skilled employees for the growth and development of the organization. Generally, is no importance or special considerations is given to the relatives of the workers at the time of recruitment. The company holds interviews at MIL, Meladoor or at marketing office of MIL, Aluva; while the senior manager interviews is conducted in a five star hotel near the airport.

Generally, the time taken to fill a vacancy is three weeks. The official posts above deputy manager such as manager, senior manager, deputy GM and director are filled by the reputed persons at the head office, Pune, which may take more than 3 weeks.

Only planned development and internal improvement will call for success in the long run. MIL vouches this through the healthy in-house training and development programmes conducted at planned intervals to boost the level of self-esteem and knowledge amidst the
employees. Starting from effective communication skills to induction training programmes, training modules cover a wide spectrum which ensures positive results consistently. MIL’s training programmes don’t stop with the in-house sessions. Conduct of regular Customer training programmes at the factory on design, sizing and selection, installation and maintenance of control valves for energy and industry is done. The programme includes demonstrations, lectures & interactive sessions by qualified experts.

Only those with up to date knowledge can be successful in their careers. The company therefore encourages all their employees to keep learning in their specialist fields and supporting disciplines throughout their working life. A positive learning atmosphere helps to foster innovation and facilitates change processes in the company. For their seminars and training events, which are mostly organized in them, they deliberately seek a mix of internal and external instructors. In this way they not only provide for in-house knowledge transfer, but also introduce fresh know-how into the company. The seminars and training courses offered range from business administration and technical subjects through foreign languages and IT know-how to events geared to personality development, management skills and intercultural skills.

MIL’s corporate culture is focused by trust, honesty, responsibility, professionalism and mutual appreciation. By making these values the defining criteria for their behaviour, they build on their existing strengths and address any weaknesses that are identified. Together they focus on using their knowledge and skills as effectively as possible for the benefit of their customers and for the sustained profitable growth of their concern.

Apart from the current crisis management situation, they consider the demographic changes taking place to be the greatest human resources challenge at present. They are faced with a foreseeable shortage of young qualified people. There is a need to position MIL even better in the competition for the increasingly scarce young talent. They also have to retain employees in the long term and support them throughout their working life in their efforts to update their knowledge and skills, to gain further qualifications and to preserve their health. To keep their company continuously at full strength with
specialists, they have gradually increased the number of apprentices over the last three years. They enjoy modern training methods that include learning social skills, project work and elements of experiential and adventure learning and have already won many awards. They especially made use of the opportunities offered by work experience schemes and other integrating measures to attract the young and talented to MIL.

The working atmosphere has a crucial impact on how long employees remain in a company and how well they work. The Company therefore attaches a lot of importance to managers and the employees who report to them regularly sharing their perceptions of each other’s behaviour. Information is exchanged on what they are satisfied with and where they see potential for improvement in their collaboration. This regular feedback helps to develop the personality of each individual and gradually to improve work. In doing so, they are guided by shared values and defined behaviours in communication, in collaboration and in change processes. These values and behaviours shape not only the way they work at MIL, but also the way they interact with customers and other partners. They are an important basis for effective work and shared success.

To be and remain attractive as an employer for their employees, they not only set great store by a conducive spirit of cooperation, but also offer employees benefits according to what is desirable and feasible in the country concerned. As well as a good remuneration, along with special payments and performance-related bonuses, these include fringe benefits for social support, sports and leisure activities, preventive health care measures and an attractive company pension scheme. For older employees they have a range of additional benefits that extend to seminars to prepare for retirement.

4:3:6 Nitta Gelatin India Limited (NGIL)

Nitta Gelatin India Limited (NGIL), one of the most successful Indo-Japanese industrial ventures, was incorporated in 1975 and started commercial production in 1979. NGIL is managed by a professional team. The Managing Director is appointed by KSIDC and a whole time Technical Director by NITTA. Through its collaborators NGIL has access to
state of the art technology and process inputs that help the company to achieve its global vision.

Today NGIL is one of Kerala’s leading exports company, manufacturing Ossein, Gelatin, and Di Calcium Phosphate. The company’s exceptional performance in the export sector has also earned it a Registered Export House status.

The shareholding pattern of NGIL is Kerala State Industrial Development Corporation Ltd. is having 34.07%, NITTA, Gelatin Inc, Japan is having 46.43%, and others (including public) is having 19.50%.

The important human resource functions carried out in this organization are: Manpower planning relating to all divisions/subsidiary, Recruitment, Selection and Placement, Training, Engagement of Apprentices, Liaison with Govt. Bodies, Performance appraisal, Reward System, and Annual increments.

NGIL has given due consideration to industrial relations through the following functions: Day-to-day meeting with the unions and employees, Bipartite/Tripartite negotiations with the unions, Implementation of the standard orders, Disciplinary Proceedings, Punishment, and Liaison with legal Advisor on all matters relating to Industrial Relations.

In this company both the internal and external sources of recruitment are considered. The internal sources are: promotions from within, employee referrals, routine applications; and external sources are: Employment exchanges, professional institutions, references from well wishers (other industries, local bodies, State administration), ITIs, supervisory development centers, related instruction centers, campus selection are utilized in an effective manner.

The selection of candidates are carried out on the basis of written test, psychological test, physical endurance test, group discussion, preliminary interview, final interview, and pre-
employment medical checkup. These procedures are conducted by professional agencies and the company.

After initial selection, the applicant will be asked to give the names and addresses of 2 persons for reference who hold a respectable/reputable position in society. The company will make confidential enquiry with them regarding the background of the applicant. Final selection is based on the outcome of the references.

Appointment Order will be issued by the Head of P&A or by Managing Director. Appointment Order will be issued in duplicate. The duplicate copy is to be returned to the Head (P&A) duly signed by the appointee in token of the acceptance of the terms and conditions mentioned in the Appointment Order. The Appointment Order will specify the date of joining for duty, period of training/probation, functions and responsibilities, the official to whom the appointee shall report, notice period to be given in the case of discharge/resignation, and any other specific conditions.

The appointee will report to the Head (P&A) who will brief the appointee regarding the general information about the company and introduce the appointee to the concerned Division Head. After meeting the Division Head, the appointee will report to the Administration-in-Charge of the concerned division where he’ll be required to fill up various forms regarding PF, ESI, gratuity etc. The appointee will also fill up a joining report form. The Administration-in-Charge will brief the appointee on the various procedures to be followed and will direct him to the concerned Department Head. Subsequently, the appointee will undergo an induction training programme as per annexure enclosed.

The appointee will be assessed by his immediate superior and the department head while he’s undergoing the training/probation. At the end of the training/probationary period, a performance appraisal format will be forwarded by the P&A department to the concerned department. The concerned department will do the performance appraisal and send back the appraisal form to the P&A department with specific recommendations. On receipt of
the recommendations, the P&A department will process the necessary papers for the regularization/confirmation/extension of the training/probation as the case may be. However, the appointee will be given a feedback on the performance appraisal by the concerned division head in the presence of the administration-in-charge, especially upon an adverse remark.

On completion of the stipulated probation period, the appointee will be confirmed in the services of the company in writing. The confirmation order will be issued by the head (P&A) and will be served to the appointee through the department/division head. In the absence of a confirmation order in writing, the appointee will continue as a probationer, till such time the confirmation order is issued.

The main components included in the compensation provided by the company are: Basic Pay, Variable Dearness Allowance, House Rent Allowance, Monthly Production Incentive, and Uniform Washing Allowance.

The fringe benefits are: reimbursement of conveyance expenses for two wheelers/four wheelers, children’s education assistance, professional development expenses reimbursement, and subsidized canteen facility/reimbursement of canteen subsidy, reimbursement of entertainment expenses reimbursement of telephone call charges in respect of residential telephone, holiday/LTA, and reimbursement of annual membership fee of professional bodies.

Welfare facilities like housing loan interest subsidy, provision of uniform and shoes, medical reimbursement scheme, loans for purchase of computer systems at a nominal rate of 2% per annum, interest free loans facility for professional education of the management staff, medical claim for self and dependents on contributory basis, and personal accident coverage policy. Other than these measures they provide welfare measures like: uniforms, shoes, soap, towels, canteens, marriage gifts, leave encashment, gratuity, and Co-Operative Society.
The company has showed due consideration in the aspect of social security through Provident Fund, Employees’ State Insurance Scheme, and Workmen’s Compensation Act.

Promotion from lower level to next higher level will be based on the following criteria: availability of a position in the higher level and suitability of the candidate in terms of experience in the lower level, prescribed qualification and aptitude. In case more number of candidates are available for promotion to a post to the next higher level promotion will be based on written test and/or interview. Promotes shall be entitled to applicable fitment benefit and a promotion increment in the higher grade.

All the employees will be provided with 3 pairs of terry cotton uniforms and 3 pairs of PVC shoes in the month of April every year. However, in the case of personnel attached to the registered office, factory administrative office and stores will be provided with one pair of leather shoes, in lieu of 3 pairs of PVC shoes. In the case of female employees, 3 uniform saris along with 3 blouse pieces will be provided per year. The female employees will make their own arrangements for stitching the blouses according to their requirements. In such cases, the company will reimburse the stitching charges at the rates fixed from time to time. The employees provided with uniforms should wear the uniforms while on duty, failing which; they will not be given attendance for the day.

The company provides 10 days of casual leave, 10 days of sick leave and 30 days of earned leave per year. Leave shall be granted for any reasonable cause. However leave shall not be claimed as a matter of right. Prior written sanction should be obtained for availing of any kind of leave. However, in case of emergencies, telephonic approval can be obtained for availing leave. In such cases, formal sanction, in the prescribed form, shall be obtained immediately on rejoining duty. In the normal course, sick leave shall be granted up to 3 days on employee's own declaration. However, for prolonged sickness warranting hospitalization/rest at residence, application for sick leave shall be supported by a medical certificate issued by a competent authority. Application for earned leave shall be submitted 15 days in advance. However, in genuine cases, this
clause can be relaxed at the sole discretion of the sanctioning authority. The number of times earned leave can be availed of shall be limited to two per calendar year. However, in extremely deserving cases, the Managing Director shall have the power to relax this clause on merits. Refusal of any kind of leave shall be intimated to the concerned employee in an appropriate manner.

Employees will be entitled to avail of LTA only after confirmation of the services. The LTA amount will vary depending upon the Grade/Level of the employee. The employee availing of LTA should be on leave/holidays for a minimum period of 5 days. For availing of LTA, the employee has to apply in the prescribed form to the head (P&A) through the department/divisional head. LTA will be released 2 days prior to the date on which the employee proposes to avail of leave/holidays. The LTA amount will be released subject to the provisions of the Income Tax Act from time to time.

All employees will be entitled to 13 paid holidays in a calendar year, as per break-up shown. The list of holidays will be published on the company’s notice board in the month of January every year. The employees who are scheduled to work on the paid holidays shall be entitled to a compensatory off. In case a paid holiday happens to be the weekly off day of an employee, he shall be entitled to a substituted holiday, over and above the weekly off day.

In the company work shift can be classified into general shift and relay shift. The general shift is between 9.00am to 5.00pm and the relay shift can be further classified into three i.e. A shift (7.30am to 3.30pm), B shift (3.30pm to 11.30pm), and C shift (11.30pm to 7.30am).

All employees covered by the medical reimbursement scheme, shall be covered under a group medical claim open policy for meeting the medical expenses on account of hospitalization. The employees should give a complete list of the persons who are wholly dependent on the employee. The employee should keep on updating the list at the beginning of every year. The annual premium will be calculated by the insurance
company based on the age of the dependents, and the premium will be paid by the company in the first instance. 50% of the premium will be borne by the company. Benefits under the medical claim policy will be available only for treatment connected with hospitalization for a minimum period of 24 hours. The claims under the mediclaim policy will be forwarded to the insurers through the company and the amount realized will be released to the concerned employee through the company. The sum assured eligible under the medical claim policy can be wholly availed of by a single member of the family, in cases of emergency. In such cases, the remaining members of the family shall not be entitled for any benefit during that particular year.

There is a social security scheme fully contributed by the company. All the employees are covered under a Group Personal Accident Insurance Policy, against the loss of earning capacity, sustained on account of accidents, and to cover the medical expenses relating to accidents. This policy will cover accidents round the clock, irrespective of whether the employee is on duty or not. The claims under this policy will be processed and forwarded by the company and the realizations will be credited to the employees through the company.

The company has an Employee Involvement Scheme. Each employee is expected to give minimum one suggestion per month. The suggestions received will be scrutinized by a committee constituted for that purpose at the divisional level. Based on the recommendations made by the committee, the suggestions will be forwarded to the management, who, after appraisal, will send back the same for implementation. There will be a reward for each implemented suggestion. The concerned employee will be informed in writing by the management and the reward will be given to the employee by the MD. From the suggestions implemented, 3 best suggestions for a particular year will be selected by the committee and special rewards will be given to the concerned employees. Those employees, whose suggestions are not implemented due to specific reasons, will be intimated in writing, regarding the same.
The company has a scheme for rewarding the employees for acquiring additional qualifications. These rewards will be limited to post-graduate degree courses of the universities and post-graduate diploma courses of the IIMs. These post-graduate courses shall be conducted by approved institutions. Prior written sanction should be obtained by the employee for pursuing the course. In the case of part-time courses, 2 additional increments will be granted on qualifying the prescribed course. In the case of distance-education courses, 1 additional increment will be granted on qualifying the prescribed course. The course of study pursued should be related to the field of activity of the employee.

There will be two effective dates for granting annual increments, i.e. 1st January and 1st July of every year. Increments will not be granted as a matter of right or as a matter of course. Granting of increments will be based on performance/achievement of individual objectives. Each employee will be subjected to performance appraisal on a scientific basis including self-assessment. In the case of probationers, their first increment in the scale of pay will be granted with effect from the date of confirmation. They will be entitled for their next increment on the nearest effective increment date which falls after the lapse of 6 months from the first increment.

Every employee shall retire on the attainment of 58 years of age. An employee will retire from the service on the last day of the month in which he superannuates. An employee attaining superannuation shall be given a prior written notice one month in advance, indicating the date of his superannuation. During this period, the employee will be allowed to exhaust the leave standing to his credit. An employee on superannuation shall be entitled to the following terminal benefits like: gratuity @ 15 days’ pay for every completed year of service, encashment of earned leave: the entire earned leave standing to the credit of the employee as on the date of superannuation will be allowed to be encashed, and salaries/wages up to the date of retirement. An employee who superannuated shall be entitled for a service certificate on the date of superannuation. The papers regarding settlement of the PF, pension scheme etc will be processed well in advance and forwarded to the authorities immediately after the superannuation of the
employee concerned. The company will follow up the matter and will ensure that the superannuated employee gets the benefits without much delay.

Through this analysis we can conclude that some of the HR practices in government sector are more attractive than private sector and some other HR practices are better in private sector rather than government sector. This aspect is systematically tested in the following chapter by utilizing relevant statistical tools.