

# KOLKATA KINDLE

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KOLKATA  
CHAPTER

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## Message from the President – NHRDN Kolkata Chapter



**Dear NHRDNians,**

I am extremely happy to note that each one of you, all 700 plus members of the Kolkata Chapter are able to read this communication while successfully combating Covid 19 for nearly half the year, which is surely a blessing and that our sane minds and safety protocols have allowed us to overcome this pandemic thus far.

This pandemic has led to a new ecosystem, making organizations to initiate every possible measure within their means to **protect their people and assets** and above all, **ensuring business continuity**. There will be changes in the way of working and organizations are rapidly making key shifts which are under pinning organizational and leadership capabilities.

Even controlled (centralized) management systems have opened up and have accepted self-managed ecosystems which allow remote systems to monitor productivity. **Leverage of high technology and process automation and a shift toward demand based personalized offering even for the employees is readily now acceptable. Organizations with a central figure leadership are now seeing distributive leadership that is adaptive and learning based on transactions and event based experiences.** Health and wellness have now become top employee expectation and

“Return to Work” has become the new agenda of the day.

Organizations are assessing which offices are fit for work and ensuring proper compliance at plant location, and an attempt to develop inhouse infection free scenarios. This is therefore the **new leadership challenge** which will eventually **create a cultural shift, a new reality and probably a viable new scenario in employer-employee relationships**.

But above all, I wish each one of you and your family, good health and lots of happy experiences.

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## Editor's Message

Dear Readers

*Shubho Bijoyar Priti o Subhechha*

Pujo this year has been very different possibly one which has never been like this in the living memory of people. As always, the themes of the different pandals have reflected the issues harassing the society...but more than any other year, this year has seen the acceptance of the power of feminity in the various aspects of life including work from home and work at home. The irony is that the same nation which worships female prowess in different forms is also the nation where there are glass ceilings in various formats for females. There is a desperate need to rekindle the passion to nurture and grow together.

This particular issue of Kindle starts with one such article with a focus on empathy, equality and employee engagement. The case study deals with the steps taken by a company to ensure a smooth comeback from the lockdown phase to the working mode. The following article rightly talks about the value systems to lead a pleasant life in the 'new normal'. While we have always known about these virtues, the importance of these in the changed circumstances couldn't be emphasized upon more. In a first of its kind case studies, this edition also

brings to you a case study on CSR spending in a PSU. The relationship of an employee with the HR department of an organization is more like that of a married couple. While everything looks dreamlike to begin with, a list of unfulfilled expectations starts developing with the progress of time. An article in this issue tries to address just that and give an insider's perspective from the point of view of the HR department.

The significance of law for employees seems to be increasing with time, especially with the growth of sectors without unionized employees. But then, is the Indian law (in its present form) sufficient to cater to the magnitude of employee grievances? The author of this article thinks aloud the possible options and the ramifications. The special feature of Kindle – IR and Compliance – offers guidance on some practical issues in organizations.

As always, trust this edition of Kindle triggers the hunger of knowledge in each one of us and provides us the booster to care and share and grow in togetherness.

Best wishes for a safe festive season....

Dr. Meenakshi Khemka  
Editor

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## Limitless Horizons - Building a Digital Workforce @ India Power



*Prakash Panda, Sayani Sen*

### Introduction

The unforeseen outbreak of the present pandemic situation has changed the way the world has been operating. In an evolving crisis such as this, when no one was able to say for sure when it will be contained and what would its long-term impact be, the stress was placed unequally on the individual and society and on the government.

The unannounced alteration of economic grammar, shook the financial foundation of the corporates and other organizations. To put India into perspective, the overall global economic health has impacted business operations across sectors. It has been predicted that there will be major economic losses due to loss of life, workplace closure, quarantines, retrenchment of employees and of consumers' confidence and tightening of the financial markets.

A nationwide lockdown was initially imposed to combat the spread of the virus by mandating people to a home bound safe atmosphere. The sudden halt in the day to day business functioning across sectors paved the way to the origination of the concept of the **New Normal**.

The biggest saving grace in this tribulation has been technology – the internet, telecommunication, DTH and the essential utility services. This is enabling a lot of people to work around the globe without compromising or running the risk of their own health as well as others' in their pursuit to keep working and the economy ticking.

The corona virus pandemic has fundamentally

changed the way many organizations have been operating, as governments and businesses around the world laid down strict instructions to those with symptoms to self-quarantine and everyone else to practice social distancing. Remote work and zero touch is our new reality. This could permanently shift working patterns and the situation will never go back to what it was before.

Corporates across the globe have been planning, for ages, for a new profitability framework of business with the possibility of a more work from home model across sectors. However, it could not be implemented due to several obstacles and challenges. With the unpredictable COVID-19 crisis, what was once a foreseeable future plan has now within days - practically overnight - moved from a mostly physical workplace to a digital and physical workspace - with organizations retorting to the concept of remote / flexi working of employees from the safety of their home/office. Still, this was only a buffer as a lot of the society's economic life continued to unfold offline.

Owing to the current situation worldwide, employers of various organizations have roped in the HRs in formulating a business continuity plan with the existing workforce, along with initiatives and strategies to engage employees during the period of lockdown as well as a back to work program, keeping in mind the directives issued by WHO and the Government.

This emergency situation has taught all employers and HRs as to how resourceful their workforce can be in such crisis situations. Organizations that could not have imagined a completely remote workforce have

been able to flip the switch without a break in productivity. At the same time employees also continued tirelessly to keep their facilities and industries afloat.

Large established firms, specially technology-based ones, were some of the first to make the switch to remote/flexi working for all their staff, building on pre-existing infrastructure such as office chat groups, remote access to critical tools, and the fact that much knowledge work can be carried out remotely.

No matter how impressive this shift has been, employees still required support and thoughtful leadership, and now more than ever. The expectations from Human Resource and management was to constantly communicate with their employees regarding the need for a remote/flexi work culture and to give them insights as to what is happening at the organizational level.

Also, many organizations have supported those employees, who did not have access to technology, by providing them the required technology needed for remote support. Management and leaders have come up with need-based solutions to ensure that the employees were engaged and still felt valued in the

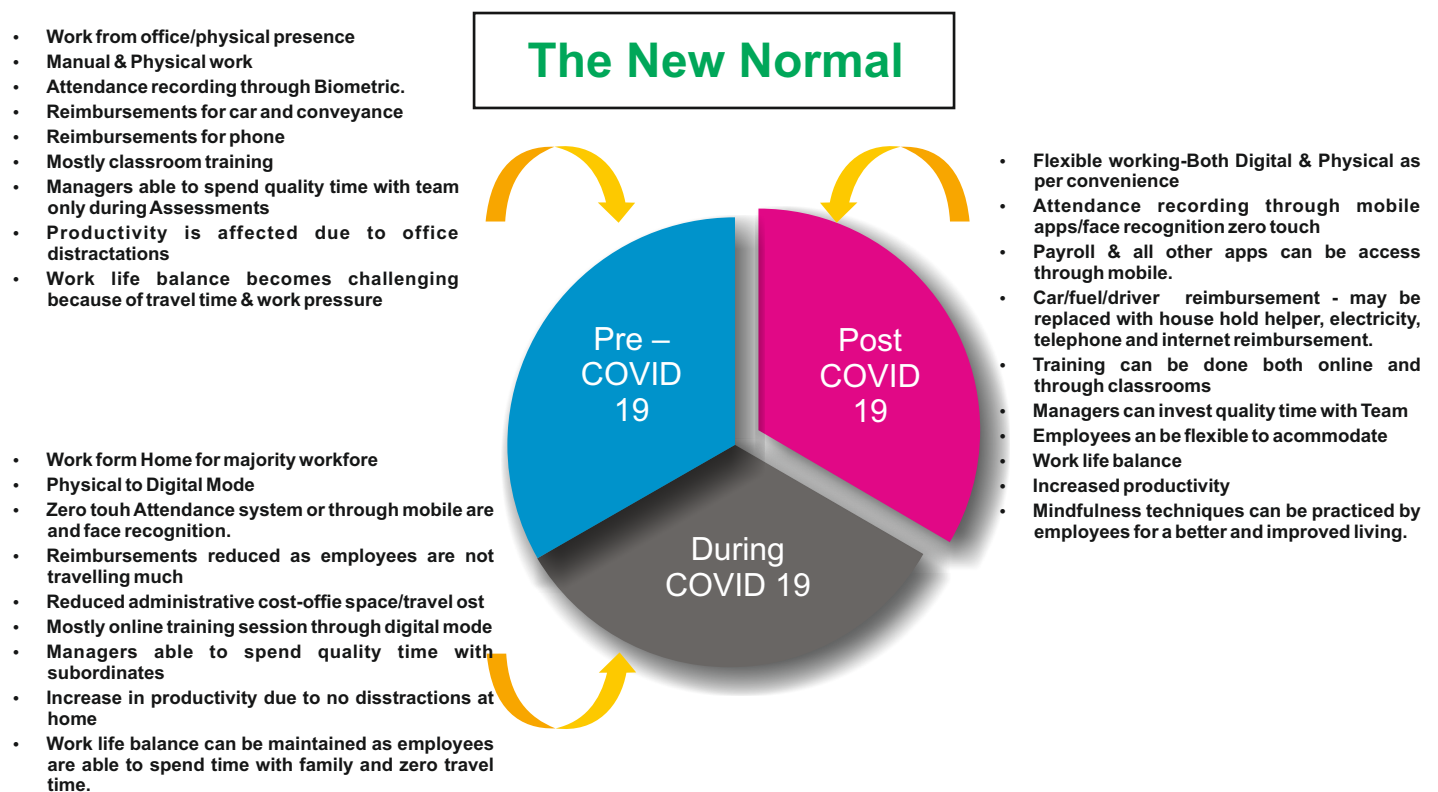
organization.

For employees working on desktops at office, management provided them with laptops and for blue collared workers, management of some organizations have come up with strategies to run operations with minimum workforce at the premises, if at all it is mandatory to do so. Such skeletal staffing was asked to visit office premises on rotation basis and the management and HRs also ensured that they were provided adequate safety, protection and medical benefits catering to the situation.

**Window of Opportunities for HR**

Business continuity is important and at the same time the health of the employees cannot be overlooked during this crisis situation. As far as the HR workforce is concerned, they are expected to act suitably in this pandemic and step up to the occasion of ensuring the health and well being of employees. There might be a change in the strategic workforce of HR as they bring in new and upgraded business models of operations, alternate work-from-home models for business continuity, and various policies and designs are likely to be framed around this model in the future.

*Figure 1: The New Normal*



## India Power's Approach to the Emerging Trend

Ensuring safety and wellbeing of employees at the workplace is essential. At India Power, the endeavour is to live by the value system of supporting employee empowerment.

One of the pivotal adjustments that the company, as an employee driven organization, made was to immediately initiate and expand the flexible work arrangements and other policies that allows the people to work remotely and safely in office / home as well as on the field during this crisis situation.

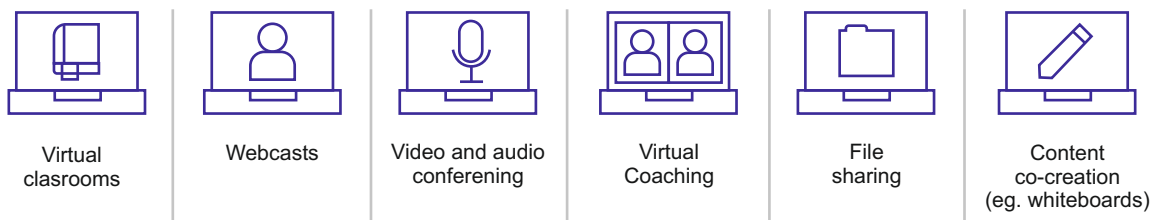
Being an end to end energy solutions provider, the company's field force at Asansol is working for business continuity, while majority of the employees at other locations are working from home/offices. Since employees are working physically and digitally, it is important to shape the virtual interactions to build a digital ready workforce. To continue enabling and

delivering value-creating efforts, there is an opportunity to adapt workplace learning and engagement programs and their digital delivery.

The HR team has actively played a huge role in finding ways to re-imagine a business-as-usual environment that minimizes business disruptions for the organization while making possible arrangements for managing critical workforce. The HR fraternity as a whole has engaged in various virtual engagements and training support to employees apart from their own domain deliverables.

India Power Corporation Limited (IPCL) has stepped up to the situation too, to launch a unique program under the umbrella "*Limitless Horizons*". This umbrella has been designed to expand the learning curve, capability building initiatives and quality improvement projects through various virtual mediums as given.

**Figure 2: Virtual Media**



**Limitless Horizons** is an employee engagement and development initiative to engage and up-skill employees both physically and digitally during such trying times so that the employees are motivated to continue with their productivity in a not so usual circumstance of remote/flexible working and also to involve them to feel valued by the organization.

Avenues are being devised to enhance the learning and engaging of employees across locations while they continue to carry out their business as usual and functional deliverables at the same time. Digital-learning is the new catalyst for this transition, which can accelerate people's transformation for the overall organizational development. A number of varied training programs and workshops are being conducted by external experts, domain maestros and internal leaders.

Some of these programs are orchestrated by the external experts and domain maestros. The learning and development initiatives are having a segmented

approach to create a better impact.

### For Leadership Level

● **Growth leadership - expanding horizons:** Focused on leadership development with a growth mindset

- Key Collective leadership agenda for IPCL
- Imbibe a winning mindset and build a high performing team
- Enhance Business Acumen and have greater ownership
- Developing a holistic approach towards short-term and long-term goals
- Creating a balance in the work and life, striving towards a joyful life
- Leverage the strengths of fellow colleagues and stakeholders in order to prosper

- **Value internalisation & 3D culture:** India Power, powered by values and driven by 3D culture (work with Devotion, Dedication & Discipline) with a focus on

- Values Orientation
- Culture & Values Integration with Vision & Mission
- Understanding the Core Values
- Internalizing values in all actions and living by the values

- **Manifesting Business excellence:** Understanding the framework of excellence and various models, benchmarking organizational best practices and developing processes and systems to create value for stakeholders and achieving growth in the business.

### For People Managers

- **Manager as a Coach:** Understanding the coaching model and competencies, learn coaching skills and effective coaching conversations, transition from manager to coach.

- **Enhance critical thinking skills:** To address and resolve complex organizational problems with a strategic and structured approach to decision making

- To understand the difference between Critical and Creative thinking
- Thinking Process (Divergent and Convergent Thinking)
- Six thinking hats
- Paradigm shifts and Mind mapping
- Thinking hats (Single use and sequence use)

- **Competency based E-Learning:** E-learning Modules based on KF Competency Framework, for Managerial Employees

- **Career Skill Workshop:** Presenter skills, audience analysis, design of a presentation/speech, developing impactful content, using visual aids and powerpoint

- **Stress management:** To abrogate stress and boost employee morale to keep them focused and consistent in their performance

- Learning outcomes focused on Stress and the common stressors in life
- Concept of Flight and Fight response
- Cool Tension and steps to Manage Stress

### For Managerial Employees

- **Customer centricity:** To help build brand trust and loyalty amongst customers, for customer facing employees

- Importance of Customer Service
- Knowing your Customer and developing Service Mindset
- How to earn trust of your Customer
- Long term value of retaining Customers

- **Unleash the power within:** An immersive experience for employee empowerment and self-improvement

- Learning New Skills and building winning attitude
- Practicing positive thinking
- Music aided visualization

- **Disha:** A junior management training and morale boosting program for tenured and veteran employees in the organization to drive consistency.

### For Workmen

- **SEVA:** Especially designed programs for a special target audience of blue collared workers

- **Safety training:** Imparting safety training to the technical workers involved in the field of power generation and distribution. The purpose of the safety training is to avoid electrical accidents in the work field which means developing the work procedure to achieve zero accident rate, eventually.

The company's **internal facilitators**, domain experts, leaders as well as the HR team have also stepped up to the platform to design and deliver some equally impactful programs such as:

- **POWERGURUKUL:** An initiative to equip employees (especially for employees of Asansol) with the basic understanding of the cutting-edge techno-commercial skills, relevant digital transformation in power industry space, and functional skills for effective performance and to facilitate transfer of knowledge and build a learning culture.

- **LeaderSpeak:** An initiative with a series of leadership discourses on various industries, functional and relevant subjects, practices and a nuanced approach to build capability through inspiring and sharing of enriching experiences.

- **HR for People Managers:** Modules on employee engagement, integrated PMS, talent management,



interviewing skills and employer branding.

- **Quality and Knowledge Management:** Aims to radically transform the organization through implementation of TQM, 5S plus 2S, Kaizen (Zero Investment, Improvement and Innovation) and Lean Six Sigma.
  - **Kaizen (focus on Zero Investment, Improvement and Innovation)** – Japanese business philosophy of continuous improvement of process and operations by involving all employees.
  - **5S plus 2S** – A Japanese concept of creating better work environment through systematic approach. It involves work place organization and better housekeeping standards also known as the 5 pillars of workplace. India Power believes that a safe and healthy environment is of paramount importance (2S- Safety & Swasthya)
  - **Lean Six Sigma-** Real use of statistics to make better scientific business decisions and assure

sustainability

- **TQM** - A holistic approach to a long-term success that views continuous improvement in all aspects of an organization as a process and not as a short-term goal. It aims to radically transform the organization through progressive changes in the attitudes, practices, systems and structures. TQM is the art of managing the whole to achieve EXCELLENCE
- **ISO/OSHAS** – Employee involvements through training and workshops

**Digital Index**

The focus has been on the digital advancement of workplace from a physical to a “**Phygital**” mode of working thereby catering to employee needs, services, engagement and orientation through an error free seamless delivery via technology. IPCL focus is on improving the Digital Index of the organisation as well as HR. Some of the HR digitisation efforts are leading to higher Digital Index scores post COVID.

*Table 1: HR Digitization Efforts*

High Impact HR Processes	Pre-Covid	During Covid	Post Covid
Payroll and Benefits	HIGH	HIGH	HIGH
Talent Attraction	LOW	MEDIUM	HIGH
Talent Management	MEDIUM	MEDIUM	HIGH
Performance Management	MEDIUM	MEDIUM	HIGH
Training	LOW	MEDIUM	HIGH
Compliance	MEDIUM	MEDIUM	HIGH
Employee Induction	LOW	LOW	HIGH

*Scale: Low - 3, Medium - 6 & High - 9*

Apart from the employee learning enhancement programs, new HR policies, handbooks and circulars are also being drafted catering to the present scenario as the company is now exploring the alternative working pattern of remote working. While employees are working from home, the Talent Acquisition team is constantly ensuring that the backfills or requirement for manpower in the new roles is being accommodated and talent pipeline is created internally and externally.

For employees, benefits include saving on commuting and more flexibility when it comes to work-life balance as they are now getting more time to spend with their family members which they otherwise would not have been able to do in a regular scenario. Some employees have also cited that now they are getting the time, opportunity and energy to focus on self-learning and up-skilling themselves through various support learning sessions online,

apart from their increased productivity at work. For employers, the pluses are establishment cost-saving and enhanced productivity.

The IPCL HR team has been working round the clock to ensure that their processes are being carried out seamlessly without any hiccups whatsoever due to the current situation. Benefits of employees have been disbursed with next to zero errors and any employee queries are being addressed with utmost promptness.

**Way Forward**

Due to the current global pandemic, there has been a total stagnancy all over the world. Restrictions are imposed on the movement of people through a national lockdown and the operative functions at workplaces have been digressed to a work from home/flexi work pattern.

It is challenging to maintain a healthy lifestyle in the middle of such crisis. There is this incessant

feeling of uncertainty and worry amongst people relating to reasons such as finances, childcare, elderly parents, job insecurity, the un-predictable future, lifestyles, mental health and a plethora of other similar issues. The ceaseless news coverage and constant social media driven flood of messages can increase the sense of anxiety, and stress is a normal response to these types of situations.

Stress is a common condition that can have serious adverse effects. It disturbs the sleeping and eating patterns, leads to irritability or emotional outbursts, low motivation, depression emanating to suicidal thoughts, domestic violence, alcohol and drug abuse and severe physical and psychological disorders. It also impacts relationships with the people around and has a negative effect on work, body, mind and spirit.

Sitting behind the closed doors of home for a continued stretch and being exposed to the disastrous conditions and grievous news of the pandemic and its ramifications can be detrimental to mental and physical health. The limitation to engage with the outside world, breathe fresh air, talk to people and also exercise exists. Ergo, to ensure a sense of wellbeing for the people around, it is planned to design and implement a new concept “HRIDAYAM”.

**HRIDAYAM – Human Resource Inner Development with Applied Yoga And Meditation**

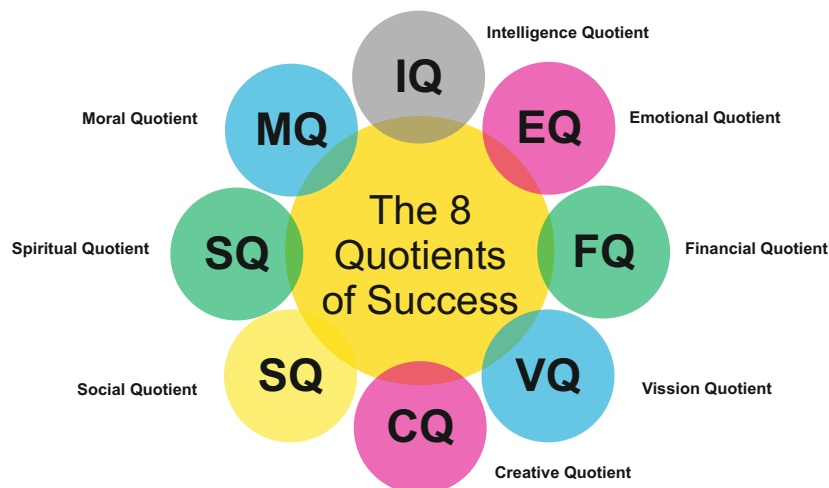
**The Need:** The 21<sup>st</sup> century knowledge and information society and the globalised world of post COVID era of today has thrown up both new challenges and new opportunities. The consequent need is for better interaction, integration and coordination among all stake holders. Ordinary people have been making extraordinary contribution

with their powerful ideas, imagination and innovations in diverse areas of human resource development.

The inner development of Human Resources pertains to empowerment of mind, intellect, memories and self awareness. This process needs to be learnt, understood, strengthened and extended further by uniting the local and the global, updating and upscaling values, skills and competencies at various levels. And create an empowering and enabling environment as well as a level playing field, in which a critical mass of committed people respond proactively to the emerging socio-cultural challenges of today, tomorrow and day after. The perfect blend of ancient wisdom of the East (Yoga and Vedanta) and the modern management system of the West (Positive Psychology, Neuroscience, Mindfulness, Technology, Social Media etc) will be one of the core offering of HRIDAYAM project in terms of the following three key areas:

1. Promote action partnerships with stake holders, mentoring and handholding for better synergy, productivity and work life balance.
2. Propagate yoga, mindful meditation, conscious leadership coaching and strategic motivation as an integral part of employee wellness.
3. Advocacy for a 'Eight-Quotient' based life span and life skill education, with special focus on developing- Intelligence quotient, Emotional quotient, Social quotient, Vision quotient, Financial quotient, Creative quotient, Spiritual quotient and Moral quotient in order to go through a rough patch in life and come out successful.

*Figure 3: Eight Quotients of Success*



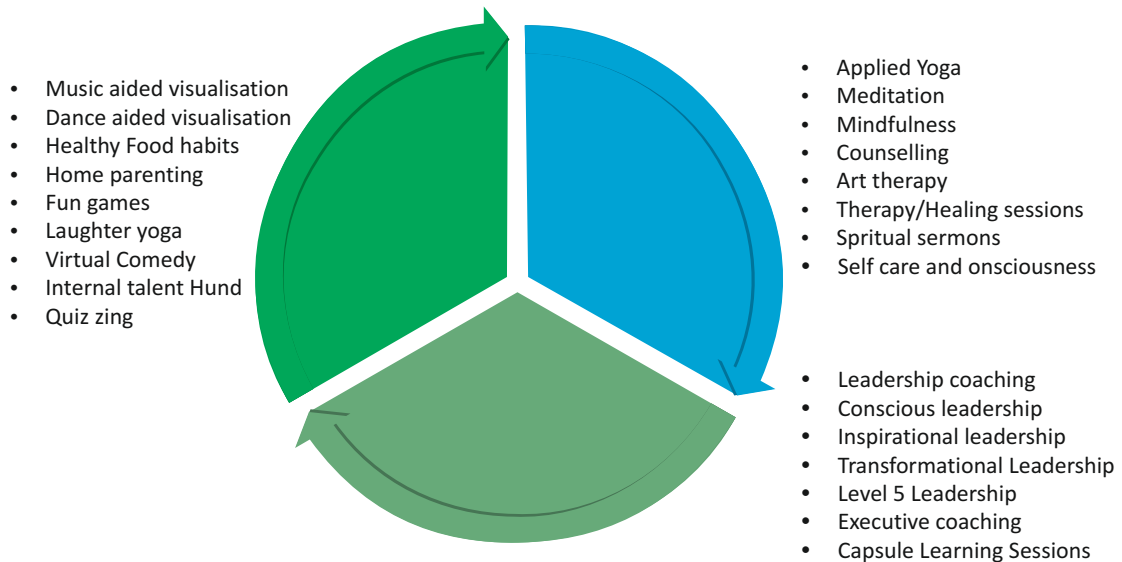
HRIDAYAM as a concept is a correlation between Maslow's hierarchy of needs theory with that of the 8

quotients that drives employees and organizations to a growth path of success.

**Figure 4: HRIDAYAM**

## HRIDAYAM : A 360 Degree Approach

HRIDAYAM is a holistic approach towards Leadership development and people wellbeing by collaborating a perfect blend of ancient wisdom of the East (Yoga and Vedanta) and modern management system of the West (Positive Psychology, Neuroscience, Mindfulness, Technology, Social Media etc.) Its main focus is on people wellbeing at home and work.



Every adverse situation gives way to possibilities and this current state of crisis has taught to think beyond the horizon and come up with advanced approaches to business continuity and HR Excellence. This certainly will help to make India Power a digitally enabled transformational organization.

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Wellness Guru Manoj Joshi – HRIDAYAM concept

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## Life Skills to Adapt in the Ever Evolving New Normal



*Bidisha Banerjee*

### Introduction

The most used phrase of the year 2020 is probably the “New Normal”. But the irony is that no one really knows what the new normal is, as the meaning of this 'new normal' is evolving every day. So what does it take to succeed in this new evolving, altering reality of every day? It takes grit, resilience, positivity and some important life skills which, in this corporate rush of technical and functional skills, would have not got its due credit.

Having spent twenty years in the field of learning and development, the author has come to comprehend some of the basic skills of self-awareness, emotional intelligence, communication and interpersonal skills that are often wanting at the junior/middle management to even senior leadership levels. Companies have always focused on technical and functional skills while the life skills, which is what most companies call as 'soft skills', are often outsourced to the learning or training department with little or no focus on these skills. Most organizations' rewards and recognition programs award the 'hard skills' of employees often neglecting to recognize an emotionally intelligent team leader who acts as a facilitator for holding his team together in times of crisis.

### Life “Soft” Skills

Now, more than ever, as the ever changing 'new normal' is learnt, it's important to focus on these Life

Skills which could probably be the make or break skills for a more holistic meaningful life at work and home.

As per personal opinion, the most important skills are-

***Self-Awareness and Emotional Intelligence*** – The psychological definition of self-awareness involves being aware of the different aspects of the self - including traits, behaviors, and feelings. Essentially, it is a psychological state in which oneself becomes the focus of attention. Experience says that some of the key traits of self-awareness have been the ability to become aware about the triggers which lead to impulsive behaviors. The key is to become aware and find replacement behaviors to break the earlier pattern caused by the trigger.

In a world where people are constantly conditioned to focus on their weaknesses and are advised to work on them, the author thinks that it is equally important to know ones' strengths and understand how to leverage them. In all the corporate interactions, it is seen that individuals who are obsessive about finding their weaknesses do little or nothing to leverage on their strengths. A fine balance is very pertinent for true success of the individual.

Another tenant in self-awareness is the ability to embrace intuitions. Researchers at Leeds University concluded in their research that intuition is a very strong psychological process where the brain uses past experiences and cues from the self and the

environment to make a decision. The decision takes place so swiftly that it does not register at a conscious level. Intuition exists in all human beings but the ones who use it more will shape a better life for themselves.

**Collaboration** - The term collaboration has certain characteristics attached to it no matter which industry one looks at for comparison. A collaborative mindset and culture is where there is respect for each other, there is openness to accept differing ideas and work on the best idea, a deep sensitivity of how one's action may affect the colleagues and teams around them. However, these are rare attributes appreciated and developed by both individuals and organisations. There is almost an obsessive focus on only self-goals and desires which are always inward looking.

The skill that is required to embrace the fluid state of 'new normal' is the ability to learn from each other, have shared goals for the benefit of the organizations and, in totality, for the world as a whole. Some important ways to inculcate collaboration is to start by focusing and listening to others and not your own voice at all times. Contextual listening is one of the first steps in building collaboration - asking Discovery Questions to know the situation of the speaker rather than asking 'yes' and, 'no' questions, and using these discovery questions to give the speaker an opportunity to narrate more about their situation. Sometimes people misunderstand active listening to be constantly acknowledging the speaker - by either constant verbal acknowledgements or paraphrasing. It is important to understand the power of silence. Silence does not mean disengagement - it indicates deep listening and paying complete attention. Silence allows the speaker to reflect, gather their thoughts and sometimes dwell a level deeper and bring the focus to transformational conversation.

Listening is the first step to build collaboration. It is also important to have win – win mindsets. It's a fine balance to express one's own needs and concerns and at the same time asking questions from others to understand their needs and thereby create a solution of greater value. It is important to find opportunities in differences.

**Entrepreneurial Mindset** – Based on personal experience, this is believed to be one of the most important skills which will help find solutions to problems which have not been solved before; it is a mindset which urges to accept complete responsibility. It is the ability to learn and evolve constantly to do better, learn to fail fast, learn from mistakes and continue to create ideas. The reason why this mindset is extremely important in adapting to the new normal is that a person with an entrepreneurial mindset possesses a positive attitude to take setbacks in their stride, learn from their mistakes, and look at challenges as a means to learn and grow rather than as obstacles. Creativity, persuasion, self- motivation, tenacity, curiosity and ownership are some of the traits reflecting an entrepreneurial mindset. One of the traits which is considered to be the most pertinent is to Take Responsibility. This trait removes all attempts to blame anyone for whatever happens in one's life. Successful entrepreneurs never look at obstacles, in fact, all the trials that they have; they look at them as a blessing to learn from.

**Gratitude** – It suffices to say that as the people live in a world where the 'new normal' is constantly evolving, one key attitude to identify and reward is Gratitude. One must look around and be thankful for what one has in life as compared to many others who are less fortunate.

### **Conclusion**

The attitude to not worry about the small things in life and looking at becoming more self-aware, collaborate with others by becoming better listeners and, of course, the entrepreneurial mindset will help in being resilient and always look for solutions.

The time has come to focus on these very pertinent Life Skills right from schooling to the corporate world. It will be a disgrace if the society does not learn to live better after this pandemic and focus on developing these mindsets that give a compass to navigate the ever-changing new normal.

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## Social Relevance of Initiatives towards Corporate Social Responsibility – A Critical Evaluation for Maharatna Company in India



*Dr. Sarbani Mitra*

### Abstract

The aim of this paper is to review the status of corporate CSR practices in a large Maharatna Company in India by critically appraising the resource application in the spectrum of focus areas, schedule VII of the CSR rules and consequent impacts. The study also focuses on the geographic spread of the social investments over period of time. Finally the study evaluates the social relevance of such CSR initiatives. For the purpose of the study, ONGC has been selected, the company having recorded the highest share of profit out of total profit incurred by 13 oil and gas CPSEs. The findings show that an extensive CSR Budget permitted ONGC to create an impact on array of socio-economic-environmental arena across the length and breadth of the nation. After the enactment of Companies Act, 2013, ONGC (under its CSR) has implemented multitude of activities both short term as well as long term. ONGC has been the largest contributor to the government's developmental schemes like LPG Connection for BPL Families, Swachh Bharat Abhiyan and Swachh Vidyalaya Abhiyan. In fact, it has been the largest contributor to these schemes among the PSUs under study. However, the investments are concentrated in and around the operating area as per policy in synchronization with prevailing act thereby creating spatial inequality.

### I. INTRODUCTION

As per the UN Millennium Ecosystem Assessment 2001-2005, 60% of the world ecosystem is in degradation or being used unsustainably (World Resource Institute, 2015). The report further states that, “over the past 50 years, humans have changed ecosystems more extensively and rapidly than in any comparable period of time in human history”. It is a fact that industries play a major role behind environmental degradation as well as emission of carbon leading to global warming and climate change. The popular perception regarding large-scale business ventures is that they are driven solely and unfailingly by profit. Business houses are expected to integrate environmental and societal concerns into their ethical business processes. Here, comes the role of **Corporate Social Responsibility (CSR)**.

CSR may be defined as the duty of the organization to respect individuals' rights and promote human welfare in its operations (Manakkalathil and Rudolf, 1995; Oppewal *et al.*, 2006). Corporate social responsibility can also bring in more awareness among communities as well as business leaders to reduce stress on natural resources, bio-capacity, greenhouse gases, global warming, and unethical practices, human rights, labour, corruption which are all major causes of concern for the planet and people.

In view of this concept, MNCs are increasingly making community development (CD) investment to demonstrate their commitment to the society (Idemudia, 2009).

**Whether a firm visualizes these issues as trivia or as a challenge (to cure social and environmental ills) or as a business opportunity can be debated.**

Buldybayeva (2014) argues that CSR in oil and gas industry poses certain questions of delicate nature since this industry is synonymous with scandals which hide bad CSR solution(s). Most important is the contention by Frynas (2012) that CSR is being adopted in the face of such disaster either forcefully due to mandatory government regulation or voluntarily through initiatives under CSR. According to him, government regulations have played a more significant part in these improvements rather than CSR by itself. Frynas (2009) observed that CSR is usually justified as either a risk management strategy to protect firms from external threats or for developing new products and services through involvement with NGOs or other developmental agencies so as to benefit from external opportunities. Some of the oil and gas corporations have notified their priority areas for social investment or community development projects. Some others are doing it based on what the local governments require of them. Some work directly with the community to manage stakeholder concerns while others work with the government as a mediator between community and corporations. Such diversity in practices lacks a unified approach and it is observed that none of the companies have a specified budget for CSR.

Interestingly, another approach to CSR debate was fuelled when India mandated a specific set of companies to spend at least 2% of the average net profit of the preceding three years towards activities that would qualify as CSR as per schedule VII of the Companies Act, 2013. With this enactment, the Union of India became the first country to mandate spending towards CSR activities and also specified activities that would qualify as CSR activities. In this paper, an

attempt has been made to review the status of corporate CSR practices in the Maharatna Company in India by critically appraising the resource application in the spectrum of focus areas, schedule VII of the CSR rules. The study also focuses on the geographic spread of the social investments over a period of time. Finally, the study evaluated the social relevance of such CSR initiatives.

It is observed that a good number of researches (Bowen, 1953, Votaw, 1972; Carroll, 1999; Van Marrewijk, 2003; Ite, 2004; Fisher 2004; Garriga and Mele, 2004; Godfrey and Hatch, 2007; Beurden and Gossling, 2008; Dahlsrud, 2008; Spector, 2008; Okoye, 2009; Carroll and Shabana, 2010; Rahman, 2011; Danilovic *et al.*, 2015, Ghobadian *et al.*, 2015, Sheehy, 2015) have been undertaken on CSR practices in the economic and organizational contexts of Europe and the United States of America.

The studies in Indian context are again very limited and those available (Singh and Ahuja, 1983; Maheswari, 1993; Batra, 1996; Hyde *et al.*, 1997; Banerjee, 2001; Paul and Pal, 2001; Pramanik *et al.*, 2007) focused only on a few aspects of the same. A few studies have tried to look into the entirety of CSR but have limited themselves to a few industrial setups. There is a lack of case study based research focusing on expenditure towards CSR activities and making year wise comparative judgment of the same and evaluating social relevance in the context of listed companies in India. The aim of this paper is to report the findings of the study undertaken to assess the proactiveness of a company to upgrade its social structure, whether it incurs expenditure towards various CSR activities and how much of these initiatives are socially relevant.

The paper is structured as follows - Section 2 of the paper provides details about data and methodology adopted followed by a discussion of the findings relating to the CSR initiatives by corporate and its social relevance in section 3. Section 4 sums up and gives concluding remarks.

## II. DATA, SAMPLE AND METHODOLOGY

This section describes the research design of the study including sample description and data collection.

### Sample Study

Out of top 100 economies (based on revenue) in the year 2015, 69 were corporations (Global Justice Now, 2016). Of these top 100 economies including 69 corporations, there are eight corporations from the Oil & Gas sector (World Bank, 2011). Combining the wealth owned by these 69 companies in the upstream and downstream companies in the Petroleum Oil/Gas sector, one realizes that an amazingly vast amount of resources are controlled by these corporations. Accordingly, oil sector has been identified for the research study as it has a significant impact on the world economy.

Secondly, a practical aspect is the fact that the oil and gas industry in the past has recorded conspicuous negative environmental effects such as oil-spills, rig explosions, refinery explosion, and environmental degradation. These have led to antagonism, public outcry and activism by the civil society groups and local communities. This has forced the oil and gas industry to do something more for the local communities to mitigate the harmful effects it creates and to build the reputation of being perceived as a preferred corporate neighbour by the local community.

Most of the companies in the oil sector across the globe are found to be engaged in various social issues, some of which may be common across geographical locations. The state owned oil companies across the world have shown different systems of engaging in CSR activity, more in sync with government imperatives and programs.

Oil and Natural Gas Corporation Limited (ONGC) has the highest turnover i.e. 80.72% (INR 90,603.5 Cr), out of total turnover of upstream oil companies (INR 1,12,241.5 Cr) in the year 2013-14. In India, there are currently 13 Central Public Sector

Enterprises (CPSEs) in the oil and gas sector under the administrative control of Ministry of Petroleum and Natural Gas (MoPNG). ONGC has registered the highest profit i.e. 46.63% (INR 22,094.81 Cr), out of total profit (INR 47,378.4 Cr) recorded by these 13 oil and gas CPSEs. Accordingly, the study has concentrated to review the status of corporate CSR practices of ONGC by critically appraising the resource application in the spectrum of focus areas, schedule VII of the CSR rules. The study also focuses on the geographic spread of the social investments over a period of time. Finally, the study evaluates the social relevance of expenditure towards ONGC's CSR activities.

### Data and Methodology for the Study

The data for this research is secondary in nature and the research method used is Content Analysis. CSR related items were handpicked from all previous researches on the topic, primarily those related to CSR of ONGC, Annual Reports of the sample Company for the relevant years, specific reports on CSR, data submitted and published by various bodies pertaining to CSR of the sample company, data published by Government Bodies etc. Literature survey was used for reviewing the related CSR activities over the years.

The research approach used for this study is Case Study Method following Tellis (1997), Zainal (2007), and Yin (2009). As per these researchers, the case study method is recognized as a tool in many social science studies especially when dealing with issues related to sociology (Grassel and Schirmer, 2006), education (Gulsecen and Kubat, 2006), and community based problems (Johnson, 2006) such as poverty, unemployment, drug addiction, illiteracy, etc.

### Sample Description

Oil and Natural Gas Corporation Ltd. (ONGC) is the highest profit making CPSE in India. Accordingly, its CSR budget allocation is also the highest. ONGC was incorporated as a CPSE on 23.06.1993 with its



registered office in New Delhi, India with its primary business being crude oil exploration (upstream). Prior to this, it was a statutory body by the name Oil and Natural Gas Commission which was taken over by ONGC on 01.02.1994. ONGC is a Maharatna CPSE under the administrative control of MoPNG with the Government of India having 68.94% of its shareholding. The company employed 34,576 regular employees (executive 24,726 and non-executive 9,850) as on 31.3.2014.

### III. ANALYSIS & FINDINGS

To critically assess the item wise details of CSR activities undertaken by ONGC and to quantify expenditure towards CSR activities, a detailed study on allocation of budget; identification of thrust areas for CSR and activity wise investment in CSR activities was considered necessary..

#### CSR Budget

CSR policy expressly mentions that at least 2% of the average net profit of preceding three years will be allocated as CSR budget. The policy also mentions that unspent amount, if any, will be carried forward and will be added to the next year's CSR budget. While the individual Projects/Programmes/Activity will be approved by CSR & SD (Sustainable Development) Committee, the total amount would be broadly allocated into five heads each having about 20% of total budget with liberal interpretations of items detailed in Schedule VII of the Companies Act 2013 in the following manner :

- Promoting health care including preventative health care and sanitation and making available safe drinking water (20%);
- Promoting education including special education, employment enhancing vocational skills especially among children, women, elderly and differently abled, and livelihood enhancement projects (20%);
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water (20%);
- Rural development projects (20%);
- Miscellaneous – setting up homes and hostels for women and orphans; setting up old age homes; day care centres and other such facilities for senior citizens; protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts; training to promote rural sports, regionally recognized sports, Paralympic sports and Olympic sports; other areas mentioned in Schedule VII (20%). CSR budget of ONGC during the last three financial years 2013-14, 2014-15, and 2015-16, as observed from annual report, is given in Table 1.

**Table 1: ONGC - CSR Budget versus Expenditure**

S. No.	Particulars	2015-16	2014-15	2013-14
1	Minimum CSR fund to be allocated as per DPE / Companies Act	593.7	660.61	418.52
2	Fund Allocated	593.7	660.61	418.52
3	Expenditure Incurred during the year	421.0	495.23	341.25

**Source:** Sixth Report of Standing Committee on Petroleum & Natural Gas (2014-15) for data of 2013-14 (Lok Sabha) and Reply for Lok Sabha Unstarred Question No. 2457 for 2014-15 and 2015-16 (Lok Sabha).

Based on the information available in public domain in the Annual reports of ONGC and the 8<sup>th</sup> report of the Committee of Public Undertakings, in 2014-15, ONGC had a carry forward amount of INR 744.97 Cr from CSR budget of the previous years. As per the Annual Report 2015-16, there was an unspent carry forward CSR component of INR 1348.2 Cr. Of this, an amount of INR 1060.1 Cr was committed towards various ongoing CSR projects during 2015-16. Thus, at ONGC there has been a large amount of

unspent CSR money in the previous years. There has not been any reporting and express disclosure towards underspent and carry forward amount of earlier years prior to Companies Act 2013, after which it is now mandatory to report the amount unspent in a particular year.

### Focus/Thrust Areas

ONGC had been working in the 12 focus areas for CSR interventions, as presented in Table 2.

**Table 2: Focus Areas for CSR Activities**

Sl. No.	Focus Areas
1	Education including vocational courses
2	Health care
3	Entrepreneurship (self-help & livelihood generation) scheme
4	Infrastructure support near ONGC operational areas
5	Environment protection, ecological conservation, promotion
6	Protection of heritage sites, UNESCO heritage monuments, etc.
7	Promotion of artisans, craftsman, musicians, artists etc. for preservation of heritage, art & culture
8	Women's empowerment, girl child development, gender sensitive projects
9	Water management including ground water recharge
10	Initiatives for physically and mentally challenged
11	Sponsorship of seminars, conferences, workshops, etc.
12	Promoting sports/sports persons, Supporting agencies promoting sports/sports persons

The company has also resolved through its policy to attach due importance to environment and its sustainability not only through CSR initiatives but also through its mainstream business process and operations. It will consciously promote environmentally sustainable business practices to reduce carbon and water foot print, and engage in active waste management, energy management and bio diversity conservation.

### Major CSR Activities During 2015-16

During the financial year 2015-16, ONGC had

allocated INR 593.70 Cr as CSR Budget. There was a carry forward amount of INR 165.38 Cr from the previous year (ONGC, 2017). Out of this, ONGC invested INR 420.99 Cr in various activities within its focus areas as well as within schedule VII of the Companies Act 2013. These activities were undertaken through outside agency as well as through in-house efforts of ONGC though the latter was very less as observed from annual report and other data sources. Some of the major activities undertaken by ONGC during 2015-16 and reported through its annual report are given in Table 3.

**Table 3: ONGC - Major CSR Activities during FY 2015-16**

<b>CSR Budget</b>	The CSR budget for FY 2015-16 was INR 593.70 Cr. Of this, an amount of INR 420.99 Cr was spent during the financial year. As per ONGC Annual Report FY16, the company spent INR 1202.9 Cr on CSR activities in the last five years. In 2015-16, there was an unspent carry forward CSR component of INR 1348.2 Cr. Of this, an amount of INR 1060.1 Cr was committed towards various ongoing CSR projects.
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- **Varisthajana Swasthya Sewa Abhiyan:** With the aim to serve the elderly through free medical care, ONGC, along with Help-Age India, pressed into service Mobile Medicare Units for doorstep medical help. The project was initially commenced in 2010 with a horizon of six-year duration. By 2011-12, 20 MMUs were launched in eight states and one union territory. Since inception of this project, more than 15 lakh treatments have been imparted to 59,750 unique elderly beneficiaries over the years. During the fiscal year 2015-16, an amount of INR 3.23 Crores was spent on this activity.
- **Provision of Drinking Water Facilities:** ONGC's CSR focused on another important aspect of health and sanitation. In partnership with Eureka Forbes Institute of Environment, ONGC has provided five water ATMs in Varanasi, Uttar Pradesh at a financial outlay of INR 0.85 Cr. The company also extended support to Dehradun Cantonment Board for construction of Tube Wells at an approximate cost of INR 1.5 Cr which is expected to impact more than 35000 people.
- **Development of Health Infrastructure:** To support various hospitals and health care centres in their efforts to provide affordable health care to the marginalized and economically weaker sections, ONGC has provided various infrastructural facilities:
  - (a) ONGC undertook construction of a new wing named ONGC-MRPL exclusively for women patients at Government Lady Goschen Hospital, Mangalore. The budget allocated for this was INR 12.78 Cr.
  - (b) Financial support of INR 1.3 Cr for equipment to set up a nephrology unit and equipment for Cath Lab and Cardiac Care at Sardar Vallabhbhai Patel Rotary General Hospital, Ankleshwar.
  - (c) Financial support of INR 0.65 Cr for Bone Marrow Transplant Center in HM Medical Care and Education in Karamsad Gujarat, at Charotar Arogya Mandal.
- **Medical Camps:** ONGC has carried out free eye check-up and cataract operation camp in association with implementing partner Anugraha Drishtidaan. In the camp more than 7500 beneficiaries were attended to.

#### Educational Initiatives of ONGC

- **Promotion of Sanskrit Language:** To promote Sanskrit and bring awareness and interest among the new generation, ONGC joined hands with Sanskrit Promotion Foundation. An amount of INR 5 Cr had been allocated for the same.
- **Support to S-VYASA University, Bengaluru:** For setting up a boy's hostel with a capacity of 350 students, ONGC allocated INR 12 Cr to S-VYASA University, Bengaluru.
- **Providing Education to Children in Rural Areas:** ONGC launched CSR project 'Ekal Vidyalayas' for providing free education to children in rural areas. This project has a unique model where local educated youth teach the students from their own community. This project was conducted with Bharat Lok Shiksha Parishad as implementing partner. The project had wide reach and coverage and aimed to reach out to about 420 schools in 420 villages across 10 states. The project targeted to cover approximately 12000 students in a year with a budget allocation of INR 0.84 Cr.
- **Renovation of Kasturba Balika Vidyalaya, New Delhi:** To support education for weaker sections, particularly the girl students from backward social classes, ONGC supported Harijan Sevak Sangh for renovating the girls' school building with a total CSR fund of INR 0.73 Cr. More than 650 girl students of which 200 were SC/ST students were the beneficiaries. This project is expected to touch more lives year after year.

<b>Support to Government Initiatives (2015-16)</b>	
<b>Swachh Vidyalaya Abhiyan:</b>	ONGC joined the Swachh Vidyalaya / Swachh Bharat Abhiyan, the largest ever cleanliness mission undertaken by Government of India. Under this Swachh Vidyalaya Abhiyan, 8202 toilets were constructed by ONGC and these were made functional by 10-August-2015. An amount of INR 125.7 Cr was spent towards this activity during the year.
<b>Swachh Bharat Abhiyan (Community Led Sanitation campaign)</b>	Keeping focus on Swachh Bharat Abhiyan, ONGC undertook community led sanitation campaign. The project aimed to bring behavioral changes among the members of the society, school, children, parents and teachers about maintaining cleanliness of toilets and surroundings. The IEC project was run in association with Auroville Foundation in 5599 schools with a budget component of INR 7 Cr for two years.
<b>Swachh Bharat Abhiyan:</b>	Under SBM project, ONGC undertook construction of individual household latrines (IHHL) at various locations at a total cost of INR 1.07 Cr.
<b>LPG for BPL Families</b>	This scheme has been launched under the guidance of MoPNG where 20% of CSR fund of major 6 CPSEs namely ONGC/ OIL / GAIL/ IOCL / BPCL/ HPCL is utilized for providing free of cost Liquefied Petroleum Gas / Free LPG or cooking gas connection to people below poverty line (BPL). Security deposit for basic equipment is provided from the common CSR fund. Under this scheme, ONGC released INR 343.5 Cr in FY 2015-16 towards FY-13, FY-14, FY-15 and FY-16. This was expected to benefit 28.62 lakh families with free of cost LPG connection and save them from the drudgery of using plants/biomass as fuel which is unhealthy and harmful for both human life and environment.
<b>Some Unique CSR Projects</b>	
<b>Cleaning of Himalayan Tourist spots</b>	ONGC has undertaken a very unique and unprecedented CSR activity with concern for environment in association with Indian Mountaineering Foundation. The project promotes cleaning expeditions to Himalayan range at J&K, Uttarakhand and HP to identify and remove hazardous garbage / waste generated by tourists at different tourist spots. The total financial implication was INR 0.16 Cr for the given FY
<b>Beautification of Park adjacent to Jantar Mantar, New Delhi</b>	Under the same focus of Swachh Bharat Abhiyan, ONGC tied up with INTACH, for restoration, beautification and maintenance of a park adjacent to Jantar Mantar in New Delhi. An amount of INR 0.67 Cr was allocated for this activity.
<b>Entrepreneurship, Skills and Livelihood Activities</b>	
<b>ONGC-GICEIT Computer Centre:</b> In order to promote digital India and to bring computer awareness among underprivileged youth around various operating locations of ONGC, the company started five computer centres in 2014 for providing employment-related computer training and soft skills training in collaboration with its implementing partner Bharatiya Vidya Bhavan. The projected cost for the same was INR 10 Cr. During the fiscal year 2015-16, a total of INR 2.01 Cr was spent for the same.	

## Healthcare Initiatives

### Development in North-East Region

During 2015-16, ONGC took up various CSR activities in the seven sisters (north-eastern states). More than INR 12.1 Cr was allocated in more than twenty projects across the geographic spread of northeast.

### Environmental Activities

- **Ringal Plantation in Upper Himalayas:** With concern for environmental sustainability, ONGC has been pursuing Ringal plantation as part of their CSR activities over the years. As per details reported in the annual report, ONGC in the preceding five years have planted Ringal covering about 730 hectares. With the allocation of INR 3.9 Cr of CSR fund, there has been estimated carbon sequestration potential of 33458 tons CO<sub>2</sub> per annum.
- **Harit Moksha: Green Cremation System:** Again with a concern for environment to save on wood consumption during traditional cremations, ONGC has undertaken CSR projects under the style and name of “Harit Moksha” in 2010. The project envisaged replacing traditional wood with CNG/LNG in the crematorium and hence known as green crematoriums. About 30 such green crematorium units had been commissioned in eight cities across seven states with a budget of INR 9.19 Cr. As estimated by ONGC, this resulted in the saving of approximately 13000 tons of wood and reduced 26500 tons of GHG.

Source: ONGC Annual Report (2015-16)

In addition, during 2015-16, various locations of ONGC operating across the length and breadth of the country undertook numerous CSR activities based on the felt need of the host communities. At the same time ONGC also partnered with various NGO and NPO in implementing various other CSR activities within its focus areas which might not have been listed above.

Based on the data available in the public domain, ONGC has undertaken about 468 activities in the financial year 2015-16. A sum of INR 270.80 Cr was spent towards various government driven initiatives such as free LPG connection to BPL candidates (INR 159.94 Cr), toilets in Government Schools in 10 States (INR 101.85 Cr), various Swachh Bharat initiatives (INR 9.01 Cr). The total amount spent during the year towards government driven initiatives works out to be

64.32 % of the total spent of the year (INR 420.99 Cr).

A review of state wise expenditure shows Andhra Pradesh (56 activities INR 49.38 Cr) , Gujarat (53 activities INR 46.96 Cr), Odisha (09 Activities INR 42.32 Cr), Assam (38 Activities INR 40.65 Cr), Uttar Pradesh (29 Activities INR 29.95 Cr) topped the list (Table 4), whereas the smallest fund flow was in the states of Chandigarh (2 Activities INR 7 lakhs), Manipur (2 activities INR 6.0 lakhs), Andaman & Nicobar Island (1 Activity INR 2.0 Lakhs), Mizoram (1 activity INR 2.0 lakhs), Sikkim (1 Activity INR 1.0 lakhs). Four states and union territory namely Dadra & Nagar Haveli, Daman & Diu, Lakshadweep, and Nagaland did not receive any CSR investment during the year.

**Table 4: ONGC CSR Investment: Top/Bottom Five States FY 2015-16**

Top Five States	2015-16	% of Total	Bottom Five States	2015-16	% of Total
Andhra Pradesh	49.38 Cr	11.73	Chandigarh	7.00 L	1.66
Gujarat	46.96 Cr	11.16	Manipur	6.00 L	1.43
Orissa	42.32 Cr	10.05	Andaman & Nicobar	2.00 L	0.48
Assam	40.65 Cr	9.65	Mizoram	2.00 L	0.48
Uttar Pradesh	29.95 Cr	7.11	Sikkim	1.00 L	0.24
	209.26 Cr	49.70		18.00 L	4.29
<b>Total</b>	<b>421.00 Cr</b>	<b>100.00</b>	<b>Total</b>	<b>421.00 Cr</b>	<b>100.00</b>

In terms of Schedule VII alignment, it is observed that out of 468 activities, 46 activities valued at INR 162.27 Cr were undertaken in item (iv) of schedule VII that is, "...ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water" (Table 5). The second highest spend was in (i), that is, "...to eradicate hunger, poverty and malnutrition, promote preventive health care and sanitation and making available safe drinking water". A total of 143 activities valued at INR 152.66 Cr were undertaken in this item. The third largest investment was in the area of item (ii) that is, "...to promote education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects". About 108 activities at INR 70.34 Cr were undertaken towards this. While substantial investment was made in the other two items (iii) of "...Promoting gender

equity...", no investment was made in item no. (viii) and (ix) i.e. in the area "...contribution to the Prime Minister's National Relief fund, contributions to technology incubation projects".

A detailed analysis of item no. (iv) of Schedule VII of Companies Act 2013 shows that out of 46 activities at an approximate cost of INR 162.27 Cr., an amount of INR 159.94 Cr was invested for providing free LPG connection to people below poverty line. This is based on an accumulation of funds from earlier years as mentioned in the annual report.

A detailed analysis of item number (i) shows that out of 143 activities valued at INR 152.66 Cr, a total of 86 activities valued at INR 110.86 Cr were conducted towards sanitation and providing school toilets under Swachh Vidyalaya (INR 101.85 Cr.) and the balance activities were targeted towards providing clean and safe drinking water in community schools and water facility, hand pump and community toilets, individual house hold toilets and IEC activities for changing behavior towards Swachhta awareness etc.

**Table 5: Schedule VII Item wise CSR Spent by ONGC: FY 2015-16**

Item Under Schedule VII of Company Act 2013	Item	No. of Activities	%	INR Lakhs	%
Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	(i)	143	30.56	15265.74	36.26
Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects	(ii)	108	23.08	7034.30	16.71
Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	(iii)	63	13.46	1733.67	4.12

Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	(iv)	46	9.83	16226.83	38.54
Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	(v)	27	5.77	390.87	0.93
Measures for the benefit of armed forces veterans, war widows and their dependents	(vi)	2	0.43	100.48	0.24
Training to promote rural sports, nationally recognized sports and Olympic sports	(vii)	37	7.91	677.75	1.61
Rural development projects	(x)	31	6.62	568.89	1.35
Administrative overheads	-	11	2.35	101.46	0.24
Grand Total		<b>468</b>	<b>100.00</b>	<b>42099.99</b>	<b>100.00</b>

### Major CSR Activities during 2014-15

As per the annual report published by ONGC, an amount of INR 660.61 Cr was allocated as CSR budget for the year 2014-15. There was a carry forward amount of INR 77.27 Cr from the allocation of 2013-14. ONGC has invested INR 495.23 Cr in

various activities within its focus area as well as within schedule VII of the Companies Act 2013. These activities were undertaken through outside agency as well as through in-house efforts of ONGC. A glimpse into the major activities undertaken by ONGC, as reported in the ONGC Annual Report 2014-15, is presented in Table 6.

**Table 6: ONGC - Major CSR Activities During FY 2014-15**

<b>Major CSR Activities</b>	
<ul style="list-style-type: none"> <li>● Out of the CSR Budget of INR 660.61 Cr, ONGC spent an amount of INR 495.28 Cr in FY 2014-15. This implies an overall utilization of 74.97% of the CSR Budget.</li> <li>● In the earlier 7 years, ONGC contributed INR 1880.7 Cr towards various CSR activities.</li> </ul>	
<b>Education &amp; Healthcare</b>	
<ul style="list-style-type: none"> <li>● <b>ONGC Centre for vocational rehabilitation for the differently abled:</b> To support differently-abled, particularly mentally challenged youth, adults and children; ONGC assisted Tamanna School of Hope, Vasant Vihar, by providing an Autism Centre and imparting specific skills for rehabilitation. An amount of INR 1.3 Cr was provided from CSR Budget of 2014-15.</li> </ul>	

- **ONGC-GICEIT Computer Education Program:** In order to promote digital India and to bring computer awareness among underprivileged youth around various operating locations of ONGC, it started five computer centres in 2014 for providing employment-related computer training and soft skills training in collaboration with its implementing partner Bharatiya Vidya Bhavan. The projected cost for the same was INR 10 Cr. More than 8000 students received computer training through these centres in the financial year 2014-15.
- **ONGC-The Akshaya Patra Foundation:** To strengthen the existing midday meal programme of the Government by supplying hot and nutritious food to the school students, ONGC supported Akshaya Patra Foundation in setting up of a modern automated kitchen in Surat, Guajrat with a capacity of 2 lakh meals per day.
- **Community School at Sitapur, Uttar Pradesh:** ONGC provided INR 2.7 Cr towards the capital expenditure required for setting up of a community school in Sitapur, Uttar Pradesh. It is a public private partnership where the operating expenses are provided by the implementing or operating partner Shanti Devi Memorial Charitable Trust.
- **ONGC Super 30:** To help realize the dreams of potential meritorious but marginalized students from host community, ONGC's Super 30 scheme provides 11-months free of cost residential coaching for IIT/ other engineering entrance exams. This is an all-expense paid residential training at Shivsagar Assam. The total CSR fund allocation for this project is INR 0.67 Cr.
- **Community Hospital in Lakhimpur-Kheri, Uttar Pradesh:** In order to provide affordable health care, ONGC undertook a public private partnership in setting up of a twenty-six bedded Community hospital by allocating capital expenditure to the tune of INR 4.5 Cr. This facility intended to provide health care at a very nominal, much less than government rates to people below the poverty line. Economically and socially backward classes in and around Lakhimpur Kheri, Uttar Pradesh were likely to benefit from it. The operating cost was to be borne by the implementing partners.
- **Government General Hospital (GGH), Kakinada:** ONGC with an aim to provide better health care facility to the community around its operating area in Kakinada, has supported the Government hospital by providing infrastructure and medical equipment. A sum of INR 1.9 Cr was allocated to construct a blood bank and provide various equipments required for surgery and medicine departments.
- **ONGC Mission Ujala:** To fight and control blindness, ONGC took a project called Mission Ujala in collaboration with an NGO Praani. The project targeted to screen more than fifty thousand children in the government schools in and around Delhi. It also envisaged to provide free spectacles to the students found to have refractive error. About 3000 students found to have eye problems were provided medicine and spectacles free of cost.
- **Support to Cheshire Home Project for Physically and Mentally Challenged:** To support the differently abled children from economically weak families living in the slums of Mumbai by way of providing treatments and aids so that they can live a normal life.
- **Aids and Appliances to people with disability:** With investment of INR 26.2 Cr, ONGC partnered with Artificial Limbs Manufacturing Corporation of India (ALIMCO) and Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS), to support with Orthopaedic, Hearing and Visual Aids. The program ran in 39 ONGC operational areas and 61 Backward districts and had more than 45,495 beneficiaries.



### Environmental initiatives

- **Eastern Swamp Deer Conservation Project:** Under phase II, Swamp Deer at Kaziranga National Park were captured and placed at Manas National park to increase the dwindling numbers. An amount of INR 0.89 Cr was invested in this project.
  - **Harit Moksha:** With concern towards environment and in order to reduce usages of fire wood and promote natural Gas/LPG, green Crematoriums were constructed. A total of 30 crematoriums were installed in eight cities in seven states at a budget of INR 0.92 Cr. It is estimated that the project helped saving 13,700 tons of wood and reduced 26,500 tons of Green House Gas (GHG) emissions
  - **Development of Backward Districts:** 49 Wind Turbine Generators (capacity 2.1 MW each) were planned at Backward district (Jaisalmer) of Rajasthan in collaboration with M/s Suzlon Energy Limited. ONGC invested INR 56.20 Cr towards this.
- 
- **Women Empowerment:** ONGC took a lead role to empower women in CPSE and accordingly started the Women in Public Sector/ Women Development Forum
- 
- **Other CSR Initiatives:**
  - **Hortoki Water Supply Scheme:** With the aim to support the people of village Horitaki in Mizoram with safe drinking water, ONGC constructed water tanks to assure continued supply of 40 lpd till 2014. This called for an investment of INR 0.9 Cr and helped about 450 households.
  - Developing sports complex having a capacity of 30000 in Dehradun in collaboration with Govt. of Uttarakhand at an investment of INR 50 Cr.
  - **Dashrath Stadium at Agartala:** ONGC invested INR 24.3 Cr to create an indoor stadium
  - **IIIT, Agartala:** To make technical training and skill development available and affordable, ONGC provided CSR fund of INR 3 Cr for construction of a new IIIT Campus in Agartala.

*Source: ONGC Annual Report (2014-15)*

In addition, during 2014-15 ONGC also partnered with various NGOs and NPOs in implementing various CSR activities within its focus areas. Its operating locations have also undertaken numerous CSR activities based on the felt need of the host communities.

Based on the data available in the public domain, ONGC has undertaken about 298 activities by investing INR 215.60 Cr. during the year 2014-15. The details of the balance amount were not available. The following analysis is based on these 298 activities and INR 215.60 Cr. Out of these, about INR 104.78 Cr was towards various government driven initiatives such as LPG scheme for BPL families at INR 83.07 Cr, construction/repair of toilets in Schools under Swachh Vidyalaya Abhiyan at INR 20.06 Cr and activities in the area of Swachh Bharat. The investment driven by government initiatives

constitutes about 48.60% of the total CSR spent for the year.

A critical review of the activities and expenditure shows that five states achieved highest CSR investment - Gujarat (30 activities INR 26.66 Cr), Andhra Pradesh (14 activities INR 21.29 Cr), Assam (24 activities INR 20.01 Cr), New Delhi (43 activities INR 18.79 Cr) and Maharashtra (30 activities INR 15.70 Cr) (Table 7). The five states that got the least CSR investment are Chandigarh (4 activities INR 14.202 Lakhs), Sikkim (1 activities INR 10.00 lakhs), Arunachal Pradesh (2 activities INR 7.72 lakhs), Manipur (1 activity INR 5.62 Cr.) and Mizoram (1 activity INR 1.00 lakh). A total of five states did not receive any CSR investment during the year. These are Andaman and Nicobar Island, Dadra & Nagar Haveli, Daman & Diu, Lakshadweep and Nagaland.

Table 7: ONGC CSR Investment: Top/Bottom Five States FY 2014-15

(INR Cr)

Top Five States	2014-15	% of Total	Bottom Five States	2014-15	% of Total
Gujarat	26.66	12.37	Chandigarh	0.14	0.07
Andhra Pradesh	21.29	9.87	Sikkim	0.10	0.05
Assam	20.01	9.28	Arunachal Pradesh	0.08	0.04
Delhi	18.79	8.72	Manipur	0.06	0.03
Maharashtra	15.70	7.28	Mizoram	0.01	0.00
	102.45	47.52		0.39	0.19
<b>Total</b>	<b>215.60</b>	<b>100.00</b>	<b>Total</b>	<b>215.60</b>	<b>100.00</b>

In terms of Schedule VII alignment, it is observed that out of 298 activities amounting to INR 215.60 Cr, 47 activities valued at INR 91.08 Cr was undertaken in item (iv) of schedule VII that is "...ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water" (Table 8). Out of that, an amount of INR 83.07 Cr was spent on providing free LPG connection to people below poverty line.

76 activities valued at INR 55.53 Cr were undertaken in item (ii) of schedule VII of the companies Act 2013, that is to, "...promote education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects" leaving a small sum of investment (INR 2.33 Cr) towards skill development initiatives. The major expenditure was towards operation of Kendriya Vidyalaya (INR 32.77

Cr at seven states) at various locations and also providing school furniture equipment to schools and providing scholarships (INR 82 lakhs towards meritorious SC/ST students).

The third largest spent was in item (i) of schedule VII of the companies Act 2013, that is to "...eradicate hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water". A total of 70 activities were undertaken valued at INR 49.72 Cr. A major amount of this was spent towards Swachh Vidyalaya (Construction of school toilets at cost of INR 20.06 Cr at nine states). In addition, provision of water facilities in school and communities and various health related initiatives (44 Activities INR 28.01 Cr) were taken up. These included provision of medical equipment to hospitals, supplying ambulance, undertaking health camp and other initiative.

While substantial investment was made in the other areas such as items (vii) and (iii), there has not been any expenditure in item no. (vi), (viii), (ix) and (xii).

Table 8: Schedule VII Item Wise CSR Money Spent by ONGC: FY 2014-15

Item Under Schedule VII of Company Act 2013	Item	No. of Activities	%	INR Lakhs	%
<b>Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water</b>	(i)	70	23.49	4972.45	23.06

<b>Promoting education</b> , including special education and employment enhancing vocational skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects	(ii)	76	25.50	5553.08	25.76
<b>Promoting gender equality</b> , empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	(iii)	48	16.11	643.93	2.99
<b>Ensuring environmental sustainability</b> , ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	(iv)	47	15.77	9107.66	42.24
<b>Protection of national heritage</b> , art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	(v)	10	3.36	193.21	0.90
<b>Training to promote rural sports</b> , nationally recognized sports and Olympic sports	(vii)	25	8.39	837.97	3.89
<b>Rural development projects</b>	(x)	7	2.35	94.18	0.44
<b>Administrative overheads</b>	-	15	5.03	157.68	0.73
<b>Grand Total</b>		<b>298</b>	<b>100.00</b>	<b>21560.16</b>	<b>100.00</b>

### Major CSR Activities during 2013-14

ONGC had allocated INR 418.52 Cr as CSR Budget for the year 2013-14. Out of this amount, ONGC invested INR 341.25 Cr in various activities

within its focus area as well as within schedule VII. These activities were undertaken through outside agency as well as through in-house efforts of ONGC. Some of the major activities as covered in the ONGC Annual Report are presented in Table 9.

**Table 9: ONGC: Major CSR Activities During FY 2013-14**

CSR Activities	
●	Out of the CSR Budget of INR 418.5 Cr, ONGC spent an amount of INR 341.3 Cr in FY 2013-14 which is approximately 86% of the CSR budget.
●	In the last 7 years, ONGC has contributed INR 1327.0 Cr towards various CSR activities.

### Employment Generation / Skill Development initiatives

- **Mokshagundam Visvesvaraya Centre for training Master Trainers in Skill Development (MVCTMTSD):** To support in the governments' renewed focus on skill building in order to achieve demographic dividend, ONGC undertook to develop master trainer who can impart training to prospective job seeking unemployed marginalized youth. The program aimed to train up about 27,000 Master Trainers in the next ten years.
- **Apparel training program in Chhindwara (MP):** With the aim to provide employment /job oriented skill to the young boys and girls from the tribal area of Chhindwara district, ONGC collaborated with Apparel Training & Design Centre (ATDC), Gurgaon. The program aimed to train 180 boys and girls from poor families and equip them with certificates/ diploma in respective skills (six) to make them job ready. The program also set a target of at least 70% placement post skill development. ONGC allocated INR 0.50 Cr of its CSR budget during the year.
- **Training on agricultural sector and animal husbandry:** To support the marginalized farmers, ONGC took upon itself to provide training on usage of technology, optimizing usage of water, manure pesticide etc. It also provided high yield/hybrid/pest resistant seeds, manures, fertilizers to deserving farmers.
- **Auto Loans in Chikkaballapur, Karnataka:** To support the marginalized and economically backward families and provide livelihood opportunity, ONGC provided margin money (INR 0.6 Cr of CSR fund was allocated in 2013-14) by way of supporting the auto loans taken by 200 beneficiaries. The project is likely to bring dignity, sustainable livelihood and upliftment of otherwise helpless families.
- **Udaan:** ONGC joined hands with National Skill Development Council for providing technical and soft skills to educated youth of J&K to make them employable. An amount of INR 9.1 Crores was earmarked by ONGC from its CSR budget during the year for this project.
- **Development of Backward Districts:** Setting up of forty-nine Wind Turbine Generators (2.1 MW each) at backward district Jaisalmer, Rajasthan at an Investment of INR 56.2 Cr.

### Health Care

- **Assam Medical College, Dibrugarh:** To improve the health care facility provided by government hospital in Dibrugarh, Assam ONGC under its CSR budget provided Laboratory and other facilities for Heart Surgery in Assam Medical College, Dibrugarh by investing INR 7 Cr.
- **Community Hospital in Lakhimpur-Kheri, Uttar Pradesh:** ONGC invested INR 4.5 Cr towards Capex while the OPEX was to be taken care of by a private partner. The project used PPP model that aimed to help BPL and economically disadvantaged sections of society with cheap and affordable healthcare services.
- **King George Hospital, Vizag:** Government Hospital King George at Vishakhapatnam was to set up a nine story hospital to strengthen the oncology center. This was being supported by other CPSE. ONGC committed INR 15 Cr from their CSR budget to be spent over time. This hospital was to provide quality health care services to the poor and marginalized cancer patients.
- **District Government Hospital, Chikkaballapur, Karnataka:** To improve the health care facility provided by government hospital in Chikkaballapur, Karnataka, ONGC under its CSR budget provided various equipment and upgrading existing infrastructure by investing INR 1.8 Crores. The local populace particularly from economic weaker section of the society was to be benefited because of this intervention.

- **Government General Hospital (GGH), Kakinada:** To help in better healthcare to the disadvantaged section of population from east Godavari District ONGC supported with INR 1.9 Cr to provide a blood bank and other healthcare equipment.
- **ONGC Mission Ujala:** To fight and control blindness, ONGC took a project called Mission Ujala in collaboration with an NGO Praani. The project targeted to screen children in the government school in and around Delhi. Spectacles / Eye-wear were provided to 3,000 children that were detected with refractive errors along with medicines under this project in the year 2013-14.

#### ● **Education & Vocational courses:**

- **Shirdi Sai Baba School in Mahoba, UP:** With an investment of INR 2.1 Cr, ONGC supported the school with the aim to provide free education, food, clothing, study materials for the downtrodden and marginalized students of backward region Mahoba.
- ONGC supported The Akshaya Patra Foundation by providing a fully automated kitchen at Surat Gujarat for providing mid-day meals to 2 lakh school going children (enrolled in Govt. schools) per day in the District of Surat.
- **English medium residential school in Patna, Bihar:** In one of its key initiatives to mitigate social problems like poverty, unemployment, social injustice and left wing extremism and Crime particularly faced by Mushahar Community, ONGC undertook the project of constructing an English medium residential school in Patna Bihar at an investment of INR 12.0 Cr.
- **Community School at Sitapur, Uttar Pradesh:** ONGC partnered with private party (Charitable trust) to set up a community school in Sitapur where ONGC invested towards Capex to the tune of INR 2.7 Cr and the OPEX was to be taken care of by a partner

#### ● **Projects for Physically and Mentally challenged**

- **ONGC Centre for vocational rehabilitation for the differently abled:** INR 1.3 Cr by way of support was provided to Tamana School of Hope, Vasant Vihar, New Delhi for provision of Autism Centre.

#### ● **Other CSR Initiatives**

- **Hortoki Water Supply Scheme:** With the aim to support the people of village Horitaki in Mizoram with safe drinking water, ONGC constructed water tank to assure continued supply of 40 lpd till 20143. This called for an investment of INR 0.9 Cr and to help about 450 Households.
- Developing sports complex having capacity of 30000 in Dehradun in collaboration of Govt. of Uttarakhand at an investment of INR 50 Cr.
- **Dashrath Stadium at Agartala:** ONGC invested INR 24.3 Cr to create an indoor stadium
- **IIIT, Agartala:** ONGC financially supported with INR 3.0 Cr for setting up a new IIIT in Agartala, Tripura.
- **Chief Minister's Relief Fund:** Uttarakhand: ONGC provided INR 2.0 Cr to Chief Minister's Relief Fund.
- Apart from the above initiatives, ONGC continued with its major CSR interventions of earlier years such as Varisthajana Swasthya Sewa Abhiyan – Health Care for elderly, NGC-GICEIT Computer Centre- Job oriented computer course for under privileged, ONGC-Eastern Swamp Deer Conservation Project, Harit Moksha – environment friendly Green Cremation.

During 2013-14, various operating locations and administrative offices of ONGC took upon various activities based on the stated and latent needs of the host community allocating CSR funds and improving the lives of marginalized society. Concurrently ONGC also partnered with various NGO and NPO in implementing various other CSR activities within its focus areas which might not have been listed above.

Based on the data available in the public domain, ONGC has undertaken about 274 activities by investing INR 183.04 Cr during the year. The details of expenditure towards net of INR 341.25 are not available in the public domain. The analysis is based on the data available in ONGC website.

The details of the expenditure based on government initiatives particularly towards providing free LPG connection to people below poverty line has

not been reported as this was later on accounted during FY 15-16.

A critical review of the activities and expenditure shows that the following five states received the highest CSR investment. Gujarat (22 activities INR 30.35 Cr), Uttar Pradesh (25 activities INR 28.58Cr), New Delhi (31 activities INR 21.36 Cr), Assam (14 activities INR 18.12 Cr) and Andhra Pradesh (18 activities INR 15.91 Cr) (Table 10) whereas the states of Punjab (4 activities INR 20.19 Lakhs), Sikkim (2 Activities INR 13.45 Lakhs), Chandigarh (2 Activities INR 7.5 Cr), Meghalaya (1 activity INR 3.74 Lakhs), Andaman & Nicobar Island (1 Activity INR 2.0 Lakhs) got the least investment. The three states and union territories Dadra & Nagar Haveli, Daman & Diu and Lakshadweep did not receive any CSR investment during the year.

**Table 10: ONGC CSR Investment: Top/Bottom Five States FY 2013-14**

(INR Cr)

Top Five States	2013-14	% of Total	Bottom Five States	2013-14	% of Total
Gujarat	30.35	16.58	Punjab	0.20	0.11
Uttar Pradesh	28.58	15.61	Sikkim	0.13	0.07
Delhi	21.36	11.67	Chandigarh	0.08	0.04
Assam	18.12	9.90	Meghalaya	0.04	0.02
Andhra Pradesh	15.91	8.69	Andaman & Nicobar	0.02	0.01
	114.32	62.45		0.47	0.25
<b>Total</b>	<b>183.05</b>	<b>100.00</b>	<b>Total</b>	<b>183.05</b>	<b>100.00</b>

In terms of Schedule VII alignment, it is observed that out of overall 274 activities amounting to INR 183.04 Cr, a total of 75 activities valued at INR 92.30 Cr. were undertaken in item (ii) that is towards "... promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects" (Table 11). A major amount was spent towards supporting Kendriya Vidyalaya (INR 31.41 Cr in seven states). A total of 34 activities amounting to about INR 29.06 Cr.

was spent towards job oriented skill development and vocational training. Balance amount was spent towards providing scholarships, school infrastructure such as construction of classrooms, library, supply of school furniture, equipment, computers, laboratory equipment etc.

Towards item no. (i) of schedule VII, that is to "...eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water", a total of 71 activities were taken up at a total value of INR 58.93

Cr. Only for providing water and sanitation and amount of INR 3.29 Cr was spent through 17 activities. Balance amount was spent towards providing health infrastructure like hospitals, providing equipment, ambulance, organizing health camp etc. through 54 activities (INR 55.63 Cr).

The third largest investment was in the area of item (iv) of schedule VII of the companies Act 2013 that is

“...ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water” by undertaking 20 activities at INR 12.59 Cr. While substantial investment was made in the other areas such as items (iii) and (vii), there has not been any expenditure in item no. (viii), (ix), (xi).

**Table 11: Schedule VII item wise CSR Spent by ONGC: FY 2013-14**

Item Under Schedule VII of Company Act 2013	Item	No. of Activities	%	INR Lakhs	%
<b>Eradicating hunger</b> , poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water	(i)	71	25.91	5892.51	32.19
<b>Promoting education</b> , including special education and employment enhancing vocational skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects	(ii)	75	27.37	9230.09	50.42
<b>Promoting gender equality</b> , empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	(iii)	64	24.82	1043.36	5.70
<b>Ensuring environmental sustainability</b> , ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	(iv)	20	7.30	1259.05	6.88
<b>Protection of national heritage</b> , art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	(v)	2	0.73	10.43	0.06

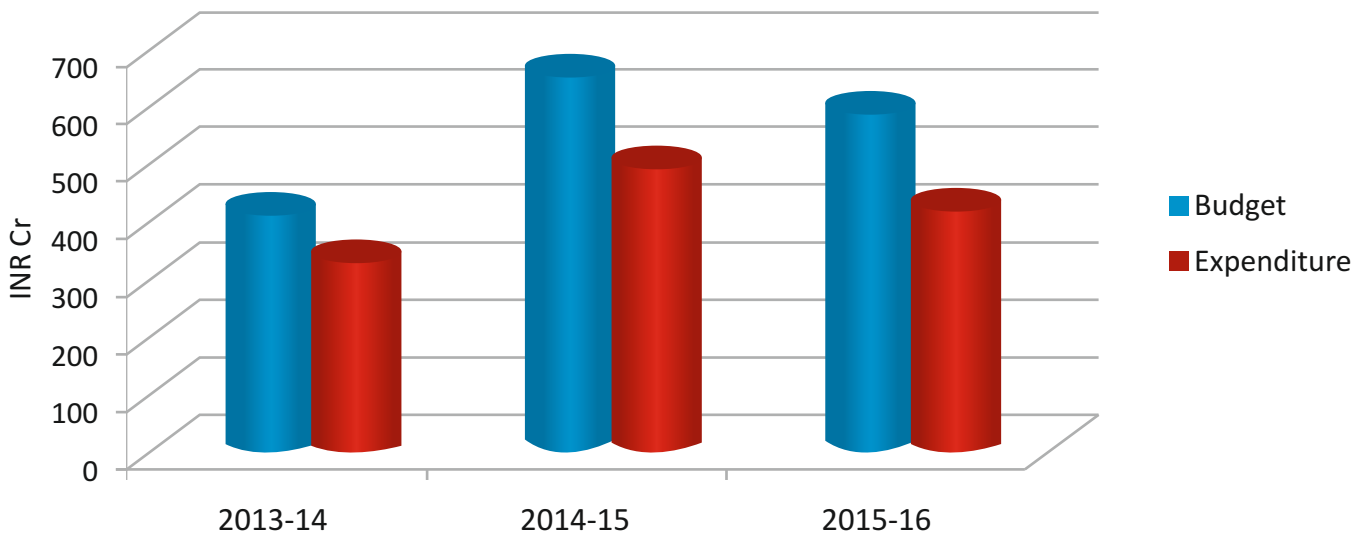
Measures for the benefit of armed forces veteran, war widows and their dependants	(vi)	1	0.36	2.00	0.01
Training to promote rural sports, nationally recognized sports and Olympic sports	(vii)	21	7.66	571.1	3.12
Rural development projects	(x)	6	2.19	112.15	0.61
Administrative overheads	-	10	3.65	184.15	1.01
<b>Grand Total</b>		<b>274</b>	<b>100.00</b>	<b>18304.84</b>	<b>100.00</b>

**Comparison and Review of ONGC CSR Activities**

As discussed earlier, ONGC Annual Reports and the 8th report of the Committee of Public Undertakings reported in 2014-15 that ONGC had a carry forward amount of INR 744.97 Crores from CSR budget of the previous years. As per Annual Report 2015-16, there was an unspent carry forward CSR component of INR 1348.2 Cr. Of this, an amount of INR 1060.1 Cr was committed towards various ongoing CSR projects during 2015-16. Thus, at ONGC there has been a large amount of unspent CSR amount in the previous years, though it has been

reduced in 2015-16. There has not been any reporting and express disclosure towards underspent and carry forward amount of earlier years prior to Companies Act 2013, after which it has now mandated to report the amount unspent in a particular year. Figure 1 shows that in terms of amount of unspent budget as well as the percentage of unspent budget with respect to total budget have increased over the three years. This seems to be challenge at ONGC as despite reference in various parliamentary committees as well as in parliament there does not seem to have any improvement in this area.

*Figure 1: Budget and Expenditure due to CSR Activities of ONGC*



**Government Initiatives Driven CSR**

There has been a steady increase in government driven initiatives in ONGC. Prior to the Companies Act, 2013 when it was not mandatory the details have

not been reported. Thus, there could be no analysis for the year 2013-14. However, same is on the upward trend in the next two years as can be observed from the Table 12.



**Table 12: ONGC: Expenditure Towards Government Initiatives Driven CSR****(INR Cr)**

Particulars	2013-14	2014-15	2015-16
CSR Investment under Government Initiatives like Swachh Bharat Abhiyan, PMUY/LPG Connection for BPL Families, Skill Development Institutes, Swachh Vidyalaya Abhiyan	NA	104.78	270.80
Total CSR Investment	183.04	215.60	420.99
% of Total CSR Investment	NA	48.60	64.32

### ONGC Schedule VII Item Wise Investment in Three Years

Sector wise investment shows that the investments are predominantly in the areas of health, education and environmental sustainability. The environmental sustainability amount is shown as the highest spent in 2015-16 (Figure 2), as the contribution of three years towards free LPG connection to BPL people was made out from the CSR fund of 2015-16 amounting to INR 343.5 Cr. The next highest investment was in item (i) of Schedule VII of Companies Act 2013 that is, "...Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water". The next higher focused investment was in item education (ii) that is, "...Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement

projects".

Figure 3 presents that in 2013-14 maximum focus was given towards item no. (ii) Promoting education (50.42%), followed by item no. (i) Eradicating hunger (32.19%), whereas in 2014-15 maximum focus was given towards item no. (iv) Ensuring environmental sustainability (42.24%), followed by item no. (ii) Promoting education (25.76%) and item no. (i) Eradicating hunger (23.06%). In 2015-16, maximum focus was given towards item no. (iv) Ensuring environmental sustainability (38.54%), followed by item no. (i) Eradicating hunger (36.26%) and (ii) Promoting education (16.71%). Therefore it has been explored from the cumulative picture that since 2013-14 to 2015-16, maximum attention has been paid towards item no. (iv) Ensuring environmental sustainability (32.44%) followed by item no. (i) Eradicating hunger (31.88%) and (ii) Promoting education (26.62%), whereas least priority has been given on item no. (vi) Measures for the benefit of armed forces veteran (0.13%) and item no. (v) Protection of national heritage (0.73%).

Figure 2 : Schedule VII Item Wise Expenditure Towards CSR by ONGC

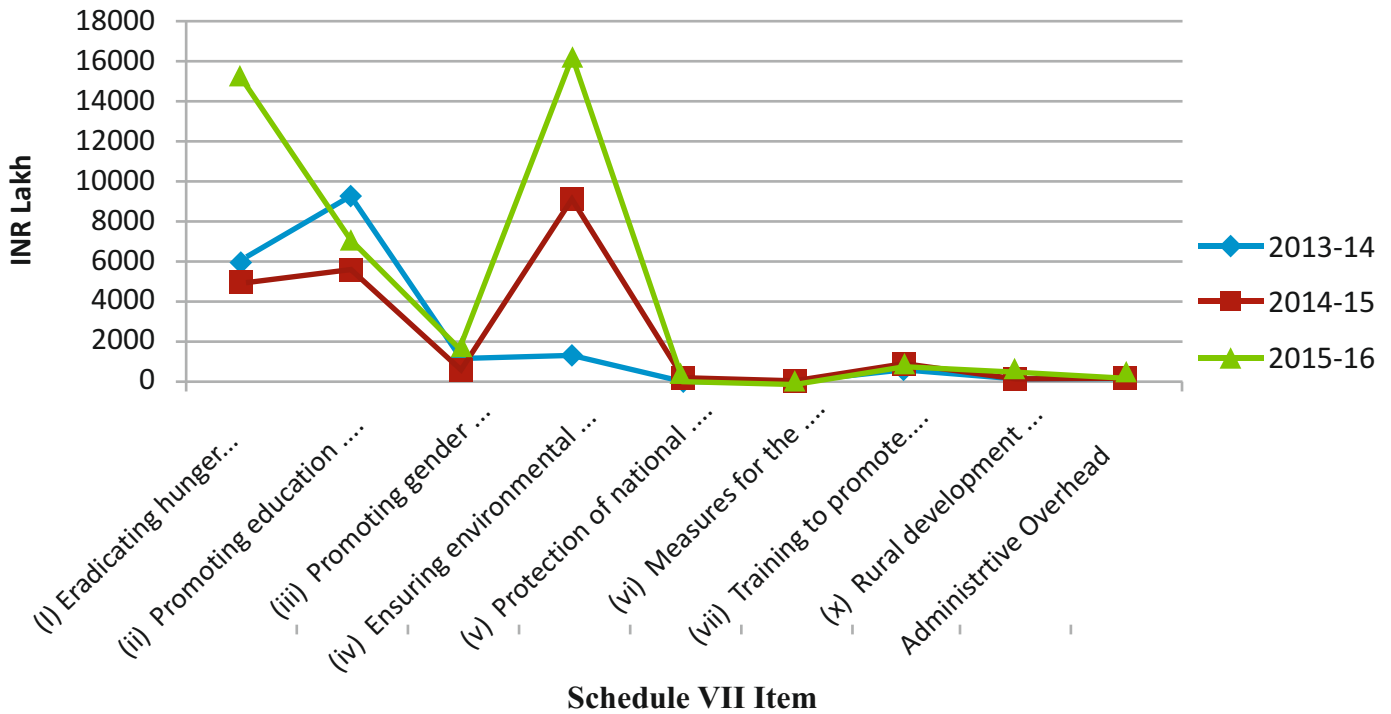
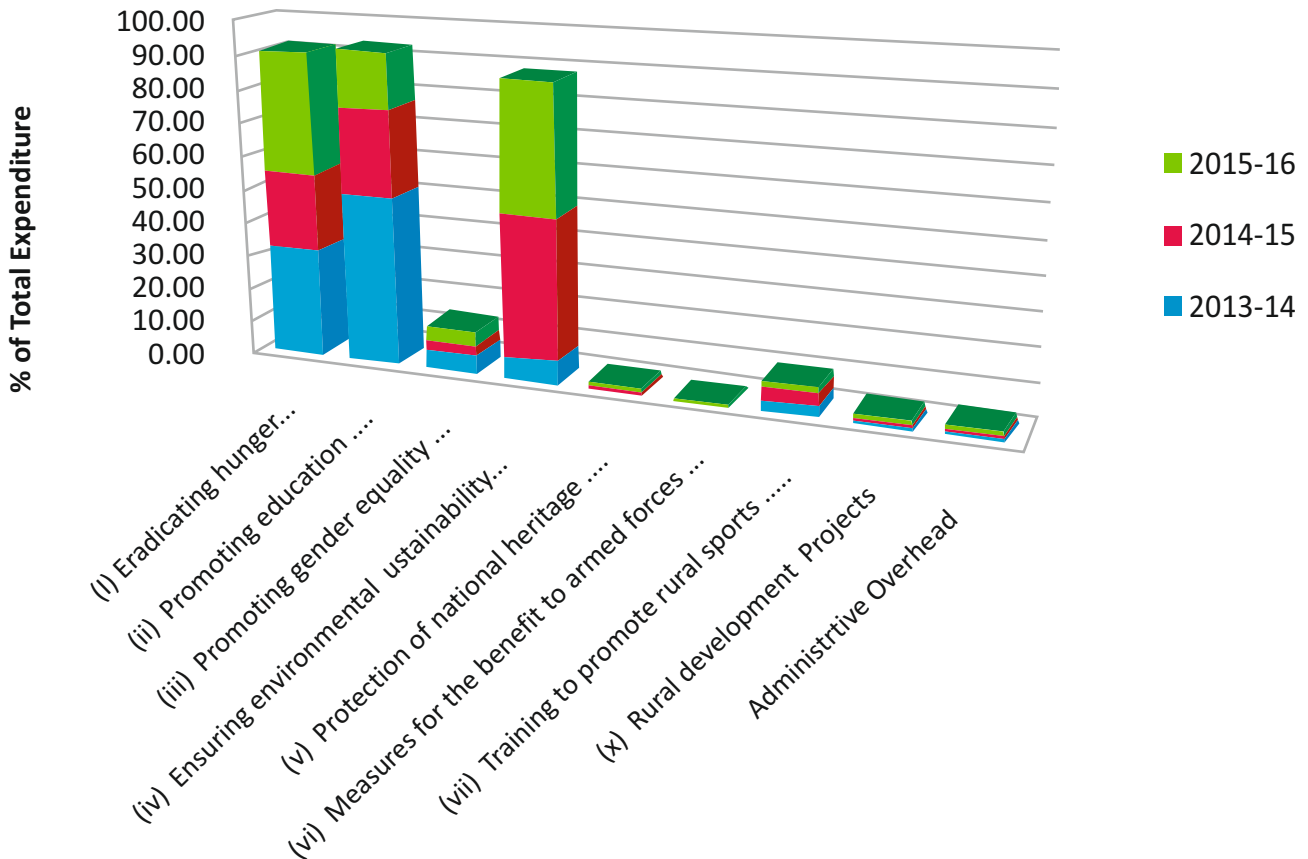


Figure 3 : Yearwise Percentage Distribution of Expenditure Towards CSR of Each Item Under Schedule VII by ONGC



### Spatial Inequality

ONGC being a PAN India company and also being the highest profit making entity during the years has shown state wise dispersed CSR investments. Very few (4/5/3) states have not received any investment. The figures for these states indicate one of the lowest

Pan India investment of CSR fund. However, as envisaged in the CSR policy to give preference to the operating locations it is observed that state like Gujarat, Andhra Pradesh and Assam have received consistently high amount of CSR investment keeping them among top five states in all the three years (Table 13). ONGC high interests in these areas.

**Table 13: ONGC CSR Investment: Top Five States**

(INR Cr)

Top Five States	2013-14	% of Total	Top Five States	2014-15	% of Total	Top Five States	2015-16	% of Total
Gujarat	30.35	16.58	Gujarat	26.66	12.37	Andhra Pradesh	49.38	11.73
Uttar Pradesh	28.58	15.61	Andhra Pradesh	21.29	9.87	Gujarat	46.96	11.16
Delhi	21.36	11.67	Assam	20.01	9.28	Orissa	42.32	10.05
Assam	18.12	9.90	Delhi	18.79	8.72	Assam	40.65	9.65
Andhra Pradesh	15.91	8.69	Maharashtra	15.70	7.28	Uttar Pradesh	29.95	7.11
<b>Total</b>	<b>183.05</b>	<b>100.00</b>	<b>Total</b>	<b>215.60</b>	<b>100.00</b>	<b>Total</b>	<b>421.00</b>	<b>100.00</b>

States having small investment (other than 4/5/3 states that did not receive any investment) during 2015-16, 2014-15 and 2013-14 respectively are Karnataka, Rajasthan and Tamil Nadu which received

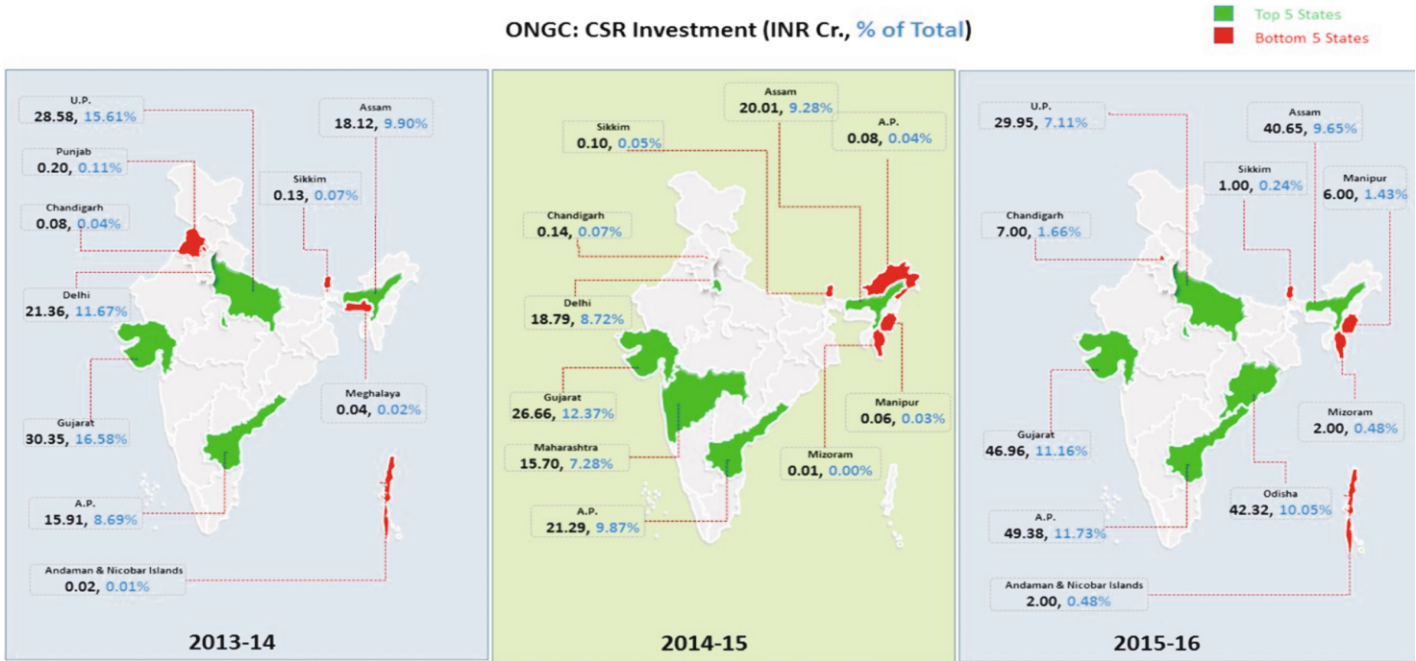
comparatively low investment (Figure 4) even though backward area development projects with considerable amount was initiated in Rajasthan during 2013-14/2014-15 (Table 14).

**Table 14: ONGC CSR Investment: Bottom Five States**

(INR Cr)

Bottom Five States	2013-14	% of Total	Bottom Five States	2014-15	% of Total	Bottom Five States	2015-16	% of Total
Punjab	0.20	0.11	Chandigarh	0.14	0.07	Chandigarh	7.00	1.66
Sikkim	0.13	0.07	Sikkim	0.10	0.05	Manipur	6.00	1.43
Chandigarh	0.08	0.04	Arunachal Pradesh	0.08	0.04	Andaman & Nicobar	2.00	0.48
Meghalaya	0.04	0.02	Manipur	0.06	0.03	Mizoram	2.00	0.48
Andaman & Nicobar	0.02	0.01	Mizoram	0.01	0.00	Sikkim	1.00	0.24
<b>Total</b>	<b>183.05</b>	<b>100.00</b>	<b>Total</b>	<b>215.60</b>	<b>100.00</b>	<b>Total</b>	<b>421.00</b>	<b>100.00</b>

Figure 4: ONGC: Status of CSR Investment by Top/Bottom Five States



**Social Relevance**

An extensive CSR Budget permitted ONGC to create an impact on an array of socio-economic-environmental arena across the length and breadth of the nation. After enactment of Companies Act, 2013, ONGC under its CSR implemented hundreds of activities both short term as well as long term. ONGC has been the largest contributor to the government's developmental schemes like LPG Connection for BPL Families and Swachh Bharat Abhiyan and Swachh Vidyalaya Abhiyan. In fact, it was the largest contributor to these schemes among the PSUs under study.

ONGC has taken unique initiatives for protection of Himalayan ecosystem and ensured cleanliness in Himalayas by sending cleanliness expeditions. This activity has helped in maintaining cleanliness by removing huge garbage from the Himalayas. This will have a significant impact on one of the most fragile ecosystem of earth. Similarly, ONGC under its CSR has taken the exercise of maintenance of maintaining the national heritage structures of the country. It has taken the task of beautification of park near Jantar Mantar in Delhi and other similar initiatives. ONGC has also taken initiatives to promote Indian culture by

promoting Sanskrit language and yoga.

Other than the above, ONGC CSR initiatives have contributed to diverse fields like creation of health and education infrastructure in various parts of the country. ONGC supported hospitals have helped thousands of people by providing them critical facilities like nephrology units in public hospitals. Separate women wing in a hospital at Mangalore ensured privacy of women, thus, maintaining their dignity along with the superior health care. ONGC has donated health care equipment to many hospitals and health centers in the country. Creation of educational infrastructure at educational institutes of all levels has enhanced quality of education in the country. ONGC through Ekal Vidyalaya initiatives has impacted thousands of children in rural areas.

ONGC has supported several community development initiatives by creating social infrastructure like provision of drinking water, construction of public roads etc. It has also helped in protection of environment by taking immense efforts in plantation. Its efforts in skill development and entrepreneurship development have provided employment and self-employment opportunities to thousands of youth. It has adopted many innovative

methods that have trained youth in various agriculture related skills along with industrial skills. Efforts have also been given for differently-abled by providing artificial limbs and various scholarships. Providing water facility in north east, creating green crematorium, taking care of endangered plants and animals are some of the exceptional contributions towards environment, ecosystem, flora and fauna that create sustainable planets. The number of beneficiaries for all the endeavours undertaken by ONGC has neither been reported exclusively nor can they be counted, as some of the interventions are community based. However, it can be inferred from the quantum of resources allocated and the huge number of projects undertaken that millions of lives and families must have been touched by ONGC through their CSR initiatives across the length and breadth of the country.

#### IV. Summary and Conclusion

On an overall basis, it is suggested that a huge gap exists in the academic discourses on CSR. There are limited studies on CSR globally and even the existing studies are focused on few regions of the world. CSR is a diverse issue and studies available do not touch upon CSR of different geographies and societies. The studies in Indian context are again very limited. Only a few studies tried to look into the entirety of CSR but limited themselves to a few industrial setups. A further deeper analysis suggests that globally there are a lot of discussions on CSR of Oil and Gas sector companies due to their resourcefulness as well as nature of their business. However, the same is not available in the Indian context despite the fact that Oil and Gas sector companies of India are among the largest companies of the world with significant impact on economic health of the nation as well as having a long list of stakeholders.

Further, this paper has tried to review the status of corporate CSR practices in a large Maharatna Company in India by critically appraising the resource application in the spectrum of focus areas,

schedule VII of the CSR rules. The study also focuses on the geographic spread of the social investments over a period of time. Finally, the study explored the social relevance due to such CSR initiatives.

ONGC has been the largest contributor to the government's developmental schemes like LPG Connection for BPL Families and Swachh Bharat Abhiyan and Swachh Vidyalaya Abhiyan. In fact, it was the largest contributor to these schemes among the PSUs under study. ONGC has taken unique initiatives of protection of Himalayan ecosystem and ensured cleanliness in Himalayas by sending cleanliness expeditions. This activity has helped in maintaining cleanliness by removing huge garbage from the Himalayas. Similarly, ONGC under its CSR has taken the exercise of maintenance of maintaining the national heritage structures of the country. It has taken the task of beautification of park near Jantar Mantar in Delhi and other similar initiatives. ONGC has also taken initiatives to promote Indian culture by promoting Sanskrit language and yoga. Other than the above, ONGC CSR initiatives contributed to diverse fields like creation of health and education infrastructure in various parts of the country.

As with all empirical work in this area, the results are subject to certain limitations. First, the sample study covers only one enterprise and the results documented may not adequately capture the historical trend of socio-economic gain due to expenditure towards CSR initiatives. Second, primary data for the analysis, through discussion, has not been incorporated. Despite these potential shortcomings, the author believes that the findings contribute evidence on the recent trend of oil and gas sector CPSEs.

There is a need for continuing more exploratory and empirical research on different aspects of corporate social responsibility. Instead of focusing only one oil & gas sector CPSE, comparison could be made among all 13 oil & gas sector CPSEs on the issue. Apart from comparing year wise extent of CSR

investment and evaluating the extent of social upgradation only; future research may analyze the impact of investor pressure, litigation, regulation/legislation, innovation and quality control, productivity and cost savings, expenditure on social overheads, quality assurance and consumer protection, employees participation in management, corporate governance parameters etc. on the practice of corporate social responsibility. Even, future research may be conducted to identify the driving forces for taking CSR initiatives in the Indian context in a more detailed way. A comparative study may also be undertaken on CSR initiatives in developing countries. It is generally assumed that identification of CSR thrust area in more systematic manner along with logical investment towards CSR initiatives would promote more socially responsible behavior.

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## Managing Human Resources with Human Relations – Integration with Organization Life Cycle



*Dhрубajyoti Majumdar*

A budding human resource professional just after passing out from a b-school has certain dreams and aspirations which seem to get a concrete shape after stepping into the corporate world. But after serving for a period of time, a befuddling question in the subconscious mind of any human resource professional is *'Is this really what I aspired for or dreamt of?'* In the professional journey of Human Resources, the frequently heard criticism is that earlier *'HR was responsive'* but now *'HR is insensitive'*. Sometimes, the statement may take a different shape like 'when the needs of the HR are over, they hardly recognise us'.

Isn't it bewildering when such statements are disseminated by business leaders and even by the peer group of the same fraternity? Most of the time, HR professionals are paying little or no attention towards it, until it adversely impacts the career growth. These statements may be in absolute or in relative terms or may be highly subjective but it is worth examining for a critical evaluation so that each such professional may have an idea and can work upon it to prove their efficacy to all the stakeholders, be it employees or the management.

In this article, an effort is made to integrate the possible reasons as to why HR professionals behave in certain patterns at different stages of an **Organizational Life Cycle (OLC)**; which is defined as a sequence of stages of growth and development through which an organization may pass (Jones G. R., 2013). **Organizational Life Cycle** is categorized into four stages, namely 1) Organizational Birth, 2)

Organizational Growth, 3) Organizational Maturity, and 4) Organizational Decline.

In order to understand the possible behavioural outcomes of any HR professional, and their inter connectedness with the **organization life cycle**; two variables are introduced - **'Task Orientation'** and **'Relationship Orientation'** - to examine the pattern in different stages of the life cycle. This framework never claims that it is a sacrosanct one, but it will definitely help the eminent readers to revisit and review certain behavioural patterns. At the same time, the suggested framework will try to identify and elucidate the connection or missing link with organizational life cycle which can make somewhat easier to translate the behavioural pattern of an HR professional in a given organizational context.

Before, presenting the framework, it is pertinent to know the definition of the terms as highlighted above.

**Task Orientation:** It connotes the tendency to focus on completion of certain tasks, especially those that contribute to the success of a larger project or job. The aim is to meet the deadline without much consideration on the way to achieve it. Too much of task orientation often leads to a perception of being unresponsive towards human sentiments.

**Relationship Orientation:** It is the propensity to develop a relationship with employees thereby positively affecting the wellbeing of an employee within the workplace or may be even outside the workplace as well. A person believing in relationship

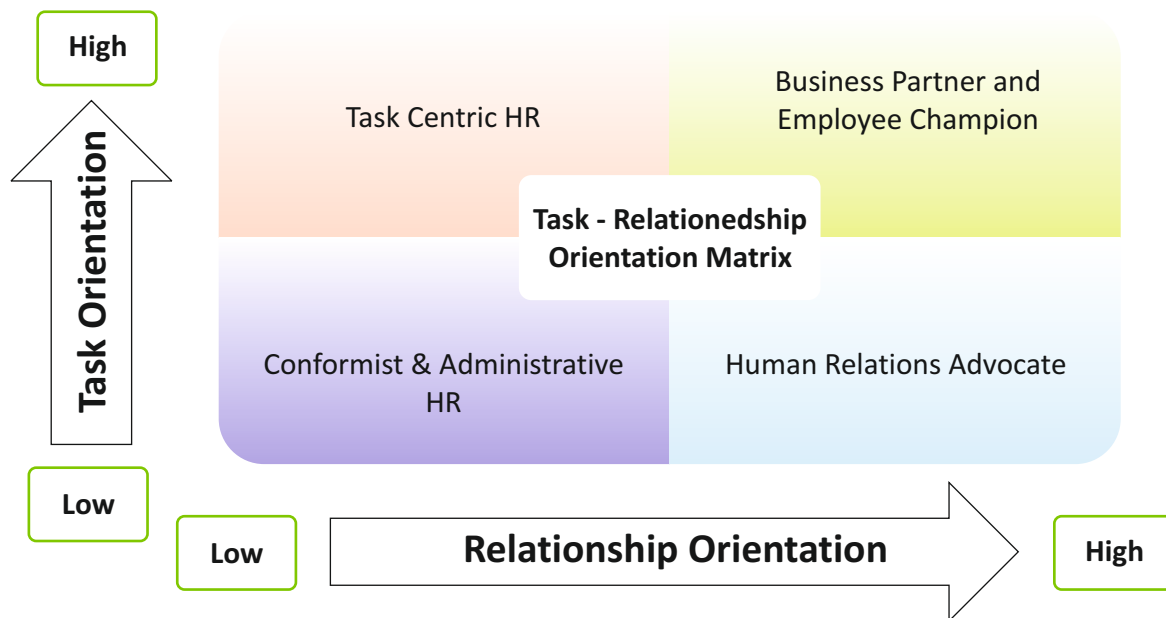
orientation tries to achieve the result by maintaining a congenial work atmosphere and motivating people both formally and informally.

From the above definition, it is quite apparent that on most of the occasions, task oriented HR professionals use people as an instrument or a means to achieve the desired outcomes which can be deadline specific. On the other hand, for relationship oriented HR professionals, individual relationships matter a lot and every such interaction is considered to be a delightful experience rather than a mere transactional relationship.

However, depending upon the specific stage of organizational life cycle, sometimes the unpopular human resource deliverables have to be meted out such as downsizing, or staff reduction based on performance appraisal. The suggested framework will endeavor to study the pattern as to how people perceive an HR professional discharging unpopular duties cited above and how the changing life cycle of an organization affects the humane face of a HR professional in due course of time.

Based on this backdrop, the '*Task – Relationship Orientation Matrix*' framework is explained.

*Figure 01: Task-Relationship Orientation Matrix*



The suggested framework shows 'Task Orientation' plotted on the vertical y-axis and 'Relationship Orientation' measured on the horizontal x-axis. Each of the two variables has degrees denoted as 'High' and 'Low'. Thus, four combinations can be derived from the framework which can describe an HR professional somewhat appropriately. Each such combination is discussed below.

● **Combination I: Low Task Orientation & Low Relationship Orientation:** This signifies the organization birth stage when the organizational structure, hierarchy of control are fragile in nature, and lot of trial and error methods are being used to arrive at a policy decision. At this initial stage, decision making is centralized even for day-to-day trivial issues. Human resources are considered to be a cost function and deputing someone in HR is just for

the sake of administrative decisions and control and ensuring adherence. The HR professionals are neither allowed the liberty to take decisions nor to focus on the tasks which seem to be important from the point of human resources. In such a combination, HR personnel tend to act just as 'Yes Men' of the management. Such HR professionals are termed in the framework as '**Conformist & Administrative HR**'. At this stage, neither the *Need* for HR deliverables is felt nor is the *Speed* important as HR is not empowered to decide on any of these variables.

● **Combination II: Low Task Orientation & High Relationship Orientation:** At the growth stage of an organization; its structure, hierarchy of control and value system start taking shape. Decentralization becomes mandatory for business sustainability, and being people

centric becomes the focus as people are found to be prime movers of the business. A lot of flexibility is provided to the employees, and there is a high chance of formation of informal work groups (e.g. lunch group, ladies group, etc.) with lots of cross functional communication. There can be a possibility of a HR person taking part in those informal groups characterized by an exchange of operational inputs, issues and thoughts. A prudent HR person may use the data to judiciously highlight the appropriate issues or pent up grievances to the management for necessary action and redressal much before they assume negative ramifications. Such relationship oriented HR professionals are termed here as '*Human Relations Advocate*'. Such HR professionals can act as change agents by virtue of their employee advocacy. In such employee oriented organizations, *Need* is more important rather than the *Speed* of HR deliverables.

● **Combination III: High Task Orientation & High Relationship Orientation:** This combination is characterized by organizational maturity and changing business model due to various internal and external factors which may be within or outside the control of the organization. In this stage, new policies and/or structural modifications and/or diversification can be initiated. People orientation or focus on the capability development of employees coupled with a higher level of employee maturity makes it easier for the HR professionals to focus on deadline oriented tasks without much compromising on the human touch at the workplace. Under this framework, HR professionals in such an organization can be termed as '*Business Partner & Employee Champion*'. As a matter of policy, such organizations take keen interest in harnessing employee relationship at both formal and informal levels, thereby making it an overarching requirement for respective HR also to follow a similar stance. In organizations wherein employee engagement is one of the key factors to success, the behavioural pattern of HR personnel is shaped accordingly. In this stage of organizational maturity, both the *Need* and *Speed* of HR deliverables matter the most for operational excellence.

● **Combination IV: High Task Orientation & Low Relationship Orientation:** In the late maturity or early decline stage, an organization tries to taper down or delay

the rate of decline on the basis of various parameters, both external and internal in nature, by adopting a variety of drastic steps to ensure business continuity. Manpower becomes to be seen as cost rather than asset, making it an overarching requirement for the organization to cut down its workforce. It is often observed that in such organizations, achievement of task within specified deadlines becomes so important that everyone, including HR professionals, are driven by it and as a result relationship orientation or the human touch is lost rapidly. At this stage of the organization, people, process and technology are intertwined in such a way that little scope exists for informal human interaction. The framework labels this as '*Task Centric HR or Mechanistic HR*'. In this stage, '*Speed*' of business deliverables is more important for a HR professional rather than empathizing on employee '*Need*'.

Therefore, same HR professional may demonstrate different behavioral pattern depending upon the context or life cycle stage of the organization. Hence, the same HR is perceived as a 'good' one at one stage of the organizational life cycle and 'not so good' in another stage. An organization, being organic in nature, passes through a life cycle as well and hence, in some stages of its life, both *Need* and *Speed* of the HR deliverables are important, whereas in some other stage, one of these components may not be considered so important.

A fact to be highlighted is that an HR professional can always do wonders in his/her individual capacity. It is always preferred to use the human touch (irrespective of the organizational life cycle) by extending empathy and resilience towards both *Need* as well as *Speed* of HR deliverables to every employee right from induction to post separation. Unpopular work can also be discharged with due consideration for human emotions especially in today's world, wherein people are emotionally mature enough to understand and differentiate the humane face of HR. After all, onus of making every such transaction a truly delightful one lies with the person concerned – after all it is our life.

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## Does India Need A P2P Centralised Employment Tribunal Facilitator like ECS of UK ?



**Uddalak Banerjee**

**Disclaimer:** All concepts detailed below are purely an independent view of the author and do not seek to dispute any pre-formed view of any legal or HR expert who is working primarily in any sector. This article is an innovative exploratory one from the author factoring in the challenges reflected in various newspapers in recent years 2019 and 2020. Author understands that there are multiple dissimilarities in outlook, population diversity, average income per household in the compared set of countries. However, the author simultaneously believes that every successful exploration is a function of passion, limited

bias to opinion, subject interest and understanding, and risk taking habit of the explorer. Hence he believes to put forward this article even if it may be contested later on differences in grounds stated and also average per capita labour income, labour law structure, social security schemes and government vision of compared countries. Further, it's only the author who will be responsible for any controversies that might arise after reading the article. Kolkata Kindle will not be accountable to respond to any of the questions/opinions/arguments/controversies that may come by.

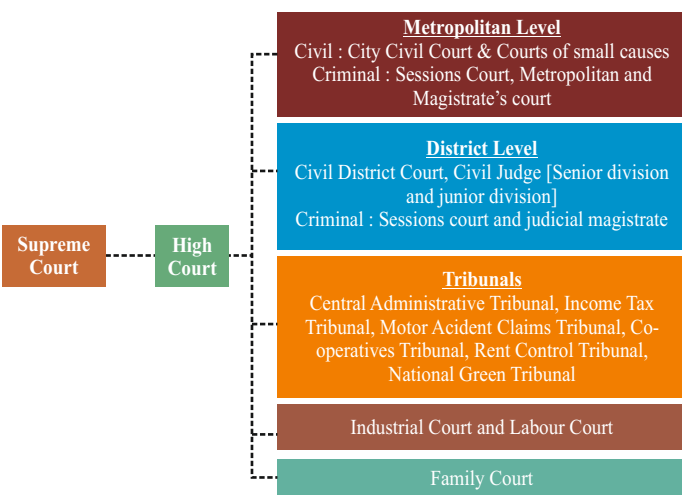


**Introduction**

Tribunal is a quasi-judicial institution that is set up to deal with problems such as resolving administrative or tax-related disputes. It performs a number of functions like adjudicating disputes, determining rights between contesting parties, making an administrative decision, reviewing an existing administrative decision, among others. In India, Tribunals became part of the constitution via 42<sup>nd</sup> Amendment of Indian constitution in the year 1976 via Articles 323-A, and 323-B. Administrative Tribunals were set-up by an act of Parliament, Administrative Tribunals Act, 1985. There are over 50000 cases pending, as on February 2019, before 17 benches of CAT (Central Administrative Tribunals). Of these, 4,141 have been pending for more than five years. Given that CAT deals with disputes involving only Central Government employees and that overall around 50 crore workers work in India (as of last economic census) – especially in a climate of corona - when employees are losing jobs, is there not a need for a more robust system? This aspect is the subject of this article, exploring possibilities in resonance with UK law and possible drawbacks and sustenance challenges, if any.

**Overview of Indian Civil Law Administration Mechanism**

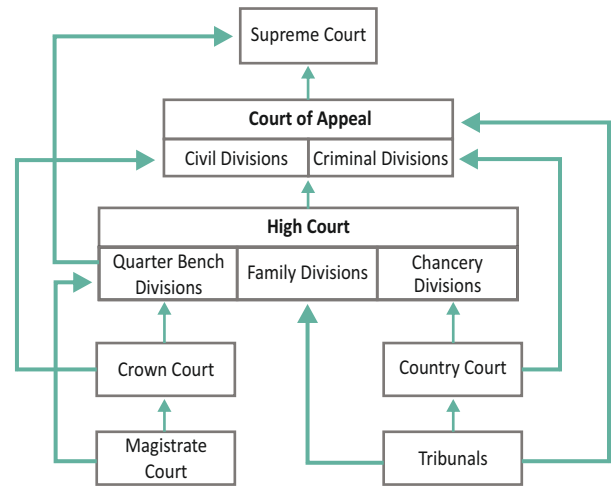
*Figure 1: Flowchart for Indian Civil Law Administration*



Source: <https://www.drishitias.com/important-institutions/drishiti-specials-important-institutions-national-institutions/tribunals-1>

**Birds Eye-view of UK Civil system**

*Figure 2: Flowchart for UK Civil Law Administration*



Source: <http://ministryofethics.co.uk/?p=13>

**The UK Employment Structure**

In UK, Labour law administration happens via ACAS. The system is very simple – a member has a grievance and if his organisation cannot solve basis first level of employment relations administration, he moves to the ECS team. Just by sharing his phone number and name, ECS calls back for full details of grievance, emails forms to be filled up by the employee (ET1) and employer (ET3) - in response to the grievance - within a set timeline. Both the forms are shared with central conciliation authorities, in case the employee wants conciliation (98% employees want so). It is good if resolution via conciliation (between both parties) works out fine in an informal climate; if not, then it goes to Employment tribunal or County Court basis the evaluation of the type of claim. The cases there are decided on the basis of laws of natural justice. UK - being the parent body from which India has adapted many parts of the Civil and criminal justice administration (with some changes) - experimented with charging fee for conciliation on the basis of type and nature of claim, to reduce workload on courts. This got rejected by the Hon'ble Supreme Court ruling recently and the fee was refunded. But the most important thing to note is the structure as a whole and its role in resolution by putting in a

mechanism to resolve the cases in a speedy manner.

### **Benefits of Involving a Facilitator**

The role of Third party facilitator is not directly a part of statute in the Indian Labour law, barring an allotted conciliator. The benefits of facilitation of the process by a professional body are two-fold. One, it provides employment to a large number of HR, IR and legal employees; and two, it fastens the overall process by involving a skilled person to deal with and explain matters in a ready manner. If this concept could be popularised in a large populated country like India, the number of cases could easily increase to a billion. Thus, not only will it lead to an increase in transparency at work but also facilitate a reduction in the unemployment problem of India, to an extent. The value that the facilitator will bring to the employee is that it will provide a hope of resolution and may also prevent the person from leaving the organisation. This will save the organisation from the gap cost (value loss due to absence of employee post last working day and prior to a new person coming in), recruitment and on-boarding cost of a new employee.

### **Revenue to be Earned by this Structure**

Since the per capita income in India is far lower than that in UK, it would be difficult to sustain the revenue model of charging a fee for fighting the cases. However, if implemented, it might even discourage a section of otherwise applicants leading to a reduction in the total case volume thereby increasing (indirectly) the need for employment of facilitators. But if one looks at the investment psychology; investment is usually a factor of the possibility of success, attractiveness of the reward to be gained and the disposable income. A differential fee system based on the expected outcome - with a possibility of flexible part payment beyond the initial nominal fee, at end of a successful case, could work wonders. Charging a fee also has a positive side that it discourages non-serious applicants, which will only add to quantity.

### **Impact of Structure**

If the law laid out is clean and if the administration of the cases is done in a fast manner, the possibility of distraction of fighting the case in the court rooms will not be discouraging to the general public. It will be discouraging only if the probability of outcome keeps varying in an unexpected manner owing to politics and/or external interference. If this aspect may be done away with via private or P2P model of administration and if strong labour reforms are brought in stating basic qualifications for filing a claim - like years of employment and prior employee record in multiple organizations traceable via linking government records via a unique id - it can actually facilitate employers. This is because if the grievance resolution norms are rigidly followed at the first level within an organisation and records are checked, it will discourage miscreants. Besides, Tribunals are not THE deciding end. One can always go to the High Court, Supreme Court, and so on. Usually most organisations have a dedicated legal team for this purpose. So in any case, they would be involved and find more work in such cases. This would, further, enable the Company Secretaries and related fields.

### **Systemic Shift – Will it lead to discrimination?**

Well, in a healthy operational system, number of cases should remain uniform and steady. It may be noted that zero grievance is not a possibility. Legal system is a recurring system and is supposed to continue and zero crime is not a possibility in perpetuity. Increase in cases can be administratively tackled from time to time and decrease in cases can also be tackled by lowering the fee, etc. If the employee is discriminated against after winning the case, then he or she may always fall back on another set of legislation. Discrimination is an elaborate matter in the UK and less so in India, but then once a system like this evolves, the result would be a more robust law to deal with cases like these and also lead to a shift towards more active employment support companies in the future rather than just recruitment

vendors providing CVs. Besides, such cases will result in the victory of the employee only when the employee is right and the employer is wrong in some set of actions. So, corrections in process will surely be expedited for future wrongs and for everyone else. Besides, it is to be noted also that this process will trigger more employment related talks and sensitize more people and even generate more employment in HR.

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## IR & COMPLIANCE: ISSUES & VIEWS

*This particular section of Kolkata Kindle: IR & Compliance: Issues & Views has gained popularity. It has enabled Members to discuss contemporary industrial issues and solutions thereof. It helps Members to come up with their queries, issues, problems for discussion, brainstorming with others with different background and experience. Members feel satisfied while they find solutions to their real-life issues by the Experts and Stalwarts in the Field of IR and Compliance. The Members are encouraged to put forth their issues with ground level realities in the WhatsApp Forum maintained by the Chapter for its Members' benefit and mutual learning. The Members with subject expertise and willing to help others do not feel hesitant to prescribe the practicable solution in need based on their experience, exposure, wisdom and practicability of execution in the field.*

*However, this is not a legal platform and opinions are not having any lawful perspective and it is advisable to obtain legal advice related to statutory compliance and IR matter from the competent professionals. The interpretation of statutory and labor law matter, judicial pronouncement and its application in the industry, different situations may vary from case to case, based on situation and context. In case there is any similarity with any actual situation that should be considered as mere coincidence.*

*This section has captured the discussion that took place in the WhatsApp Group as a knowledge sharing and enriching activity. In some queries, names of the Members have not been disclosed, on their request. The names of the members who asked questions and share the case studies and or shared the solution, throw some light towards solution are published so that more and more Members feel encouraged and discuss their issues without any hesitation.*

*We are indebted to the Members who have participated in the discussion by way of sharing case studies, advising solutions, showing interests to know the matter in depth which make the discussion interesting and more lively. In few cases,*

*questions, discussions and solutions are appropriately edited. We would like to especially thank Mr. Supriyo Banerjee & Mr. J N Putatunda for their contribution at some places in this section.*

Mr. Avijit Kumar Basu

Hony. Secretary, Kolkata Chapter

**Q.1. One Pharmaceutical company has recruited a new Medical Representative responsible for Purulia Sadar (HQ) - as he mentioned in his CV that he is based out of the town Purulia. He is having experience of 6 yrs. and is currently under probation period of 6 months. His job profile includes meeting doctors, promotion of medicines, distribution of promotional material sent to his HQ at Purulia town, meeting stockists in his territory etc. In the first sales meet-cum-product launch event, it has come on to the surface that the samples sent by HQ were not received by him. He was the only person who did not receive, all others received the samples. The person simply denied the allegation stating that he didn't receive. The VP-Business present in the meeting probed into the matter and revealed with POD that the material was dispatched at his HQ in the town. Thereafter, the person admitted that he left his HQ without approval and went home which was 25 km from the city and that he had come directly from home to attend the sales meet. While the VP sought clarification in front of ZSM, the said employee misbehaved and left the place.**

**The VP asked the ZSM to take action and went back to Mumbai (HO). They blocked the email access of the employee and sent the termination letter through courier to the DM who was the line manager for the employee, with intimation to the ZSM. The DM had gone on leave and therefore the letter could not be delivered. He will come on Monday and today is Friday.**

**The said employee, apprehending adverse effects, called up the ZSM and apologized; the ZSM communicated that the matter had been escalated to HO and nothing could be done at his end.**



Later on, the ZSM received a call from the Purulia Union Secretary saying that the company has no right to take any action against its member. The Union Leader (UL) has asked all the MRs to stop work and the business has started suffering.

- a) Is the Management on the right track? Is there any procedural lapse? If yes, what are those lapses?
- b) What should the ZSM do now to arrest the situation? Union has a dominant presence in the industry and the management is also frustrated with union activities. He wants to settle scores but not at the cost of the business.
- c) What is the best solution for the ZSM in this context?

Mr. Avijit Kumar Basu  
24-01-2020

**Ans.**

- a) Management is not on the right track. Yes, procedural lapse is there. Course of natural justice is needed to be followed. PoD confirms receipt by member's relative but does not necessarily confirm receipt by the person or dispatch of the right product. He may have misbehaved for which a warning could have been given. On first count, termination is rare and is not proportionate to wrong doing. A domestic enquiry should have been initiated.
- b) ZSM needs to speak with HR and take them into confidence to follow the model code of labor law. He may intimate to the VP that as per rules he has forwarded the case to HR to go as per the policy. Considering that the union has also stepped into play, HR may best handle the situation.
- c) The above is the best solution in the given context. As a whole, best outcome may be if HR initiates the disciplinary process.

Mr. Uddalak Banerjee

**Expert Comments:**

- The admission of non- receipt of sample should have been obtained in writing from the employee- leaving HQ and staying home without approval was a gross misconduct and his

written admission would have been beneficial for the Management to deal with the consequences

- The communication containing apology must have been obtained from the erring employee at the first instance
- The communication on termination of service should have been sent to the employee through e-mail with return receipt to his e-mail id as recorded and the hard copy be sent immediately through registered post with a/d – speed post also without any delay in dispatching / communicating the same to the employee
- The termination letter should be drafted legally and lawfully considering the LOA, Code of Conduct etc. – critical control points: reason of termination, effect of termination, notice pay, F&F settlement etc.
- The full and final settlement payment cheque based on his attendance could have also sent to him with the termination letter
- The termination during probation period could be done lawfully and since it was a matter of indiscipline that too termination -the execution should have been done more thoughtfully
- To deal with Union, HR Manager can think of negotiating with Union on point – Termination vs. Resignation & Immediate Replacement of the position / filling up the vacancy. Discipline is not a bargainable thing

**Q.2. One Service Technician 'A' of an Electrical Manufacturing Company is based out of Dibrugarh. The person got into a conflict with the stockist. The stockist's person has beaten up 'A'. This particular stockist is extremely powerful and gives an enormous annual turnover and revenue. A few days back, 'A' came up with an allegation against the stockist regarding inventory manipulation charges, charges of selling the product below the company's fixed rate, pushing to the neighboring territory unauthorized. No one dares to touch this stockist. The Technician is new into the territory – after he came up with the allegation against the stockist, the company has conducted the enquiry and the report is still**

pending.

**The stockist lodged a counter complaint that 'A' asked for bribe and some 'comfort' which they could not provide after which their manager was physically assaulted by 'A', was treated at a hospital and lodged a police complaint.**

**The matter has been referred to Regional HR Head and Regional Sales Director.**

**What should the management do now considering business, ethics, discipline, and morale of the managerial staff?**

Mr. Avijit Kumar Basu

24-01-2020

**Ans.** Regional HR needs to discuss with legal team as police complaint has already been filed and, hence, the domain of the case is not limited to the company. So, may be discussion with the magistrate for bail is an option for HR. In addition, he should encourage sales practice audit against the stockist. Independent auditor may be hired or used for this purpose. As per WSS policy, company should terminate agreement with the stockist and start good loyalty schemes for dealers who take items from the stockist and release the whole incident in public domain with dealers either in a meet or via news circulation. This issue needs to be confronted head-on. HR needs to circulate the news internally in a meeting thereby helping employees to come close to the organization and fight the evil together.

Mr. Uddalak Banerjee

### Expert Comment

- There must be a racket or unholy nexus requiring investigation by non-related officials
- The Technician must have been given moral and legal support
- The Technician of the Company should have been treated at the Govt. Hospital and collected the OPD Slip / treatment document
- HR, Legal Department and Function Manager should engage a competent Advocate to defend the case lawfully
- The District Administration and higher officials be apprised

- The Association of the Manufacturers should take up the issue and represent it strongly
- The reporting manager should camp at the site to offer moral support to the employee
- Business transaction be stopped with the particular stockist forthwith as per lawful provisions
- Alleged Inventory manipulation- enquiry findings be taken care of with a matter of priority and importance
- In case of any violation, the said stockist should be brought into the legal periphery
- New Stockist engagement be initiated fast
- Zero Tolerance on Ethics and full support to the employee defending the Company interest.

**Q.3. The way management dealt with the probationer post joining demonstrated unethical work practices at a very early stage. He not only lied but also distorted the facts. He doesn't stay at his HQ and for that reason; he didn't have any clue about the samples sent to him. This is a clear case of dereliction of duty, non-disclosure and suppression of facts, and he did not obtain approval before leaving station. It is well decided by the management to terminate him.**

**Is it justified?**

Mr. Avijit Kumar Basu

25-01-2020

**Ans.** The termination is valid so long as it is done by a non-stigmatic order. In this regard, it is noteworthy that the Indian courts have consistently held that the termination of a probationary employee is to be done by a non-stigmatic order and principle of natural justice need not be followed while passing such order. Reviewing the case law will also assist in understanding how the courts have interpreted 'stigmatic' and 'non-stigmatic' orders. The Supreme Court of India in the matter of Chaitanya Prakash and Anr. Vs. H. Omkaraappa [(2010)2SCC623] observed that the termination order referring to the unsatisfactory services of the probationer cannot be said to be stigmatic and there is no need to follow the principles of natural justice while terminating the services of a probationer. Recently, Delhi High Court

in The Managing Committee of Shiksha Bharati Senior Secondary Public School Vs. Director of Education and Anr. (2013) has taken a similar view wherein the respondent who was a primary teacher working on probation with the petitioner /school, was terminated by the school with immediate effect before the expiry of extended period of probation. The issue which came up for adjudication before the court was whether termination order stating that the employee lacked professional capability or was negligent and careless or her conduct was deplorable and had indulged in acts of indiscipline and insubordination would amount to order being stigmatic. The Hon'ble Court held that "law with respect to termination of services of a probationer is now well-settled and has to be by a non-stigmatic order. However, it has been held that stating that the performance is not satisfactory or giving of facts in the termination order will not amount to the termination order being a stigmatic one. Also the principles of natural justice have not to be followed before termination of services of a probationer.

Additionally, in Progressive Education Society v. Rajendra [(2008)3SCC310], the Hon'ble Apex Court examined the correctness of the order passed by the School Tribunal quashing the termination of the service of respondent No. 1 on the ground of unsatisfactory performance during the period of probation and observed that "The law with regard to termination of the services of a probationer is well established and it has been repeatedly held that such a power lies with the appointing authority which is at liberty to terminate the services of a probationer if it finds the performance of the probationer to be unsatisfactory during the period of probation. Unless a stigma is attached to the termination or the probationer is called upon to show cause for any shortcoming which may subsequently be the cause for termination of the probationer's service, the management or the appointing authority is not required to give any explanation or reason for terminating the services"

Therefore, on a conjoint reading of the above observations by the various courts, it is abundantly clear that once the facts stated in the termination are only the reasons and the conclusions for holding that

the employee is unsuitable for his services, then the order cannot be said to be stigmatic. However, if the order imputes something more than unsuitability for the post in question then the order may be considered to be stigmatic. Moreover, it is not necessary for an employer to follow principles of natural justice even when the termination of the probationer is ordered on the ground of unsatisfactory service.

However, care should be taken by the employer in the event the employee is discharged by the employer on the basis of misconduct or if there is a nexus between the allegations of misconduct and discharge. In such an event, the order of termination, even if couched in language which is not stigmatic, may amount to a punishment for which a departmental enquiry may be conducted.

Mr. Uddalak Banerjee

### Expert Comments

As a Probationer does not require to be given a show cause or any reason to leave, the management has decided rightly not to give any reason or conduct an enquiry. The ZSM has made a mistake out of his immaturity – he should have taken the admission in writing from the probationer, which could have been used as a tool to counter the Union. The management has done a mistake – the communication of termination must be served expeditiously via registered post – personal mail id – courier – asking him to report and collect the same in person post HOTO. The ZSM communicated to the Union categorically that the ethical matter cannot be a point of negotiation, which may tarnish their image as well. The ZSM should have been ready with plan B.

In extreme case – if Union continues the non-cooperation, he may adopt the tactics of telling the Union that the company doesn't want the person in the system at any cost and as a good gesture, instead of termination letter; an opportunity would be given to the MR to resign on personal grounds. Since the letter was not served, moderation is possible but, it is a tactical approach.

**Q. 4. In an IT company, there are 30 employees each having salary above Rs. 25,000. The company deploys 7 contractual workers for Rs. 10,000 for cleaning. Do the contractual workers attract**

## ESIC?

Mr. Jayanta Gupta  
21-03-2020

**Ans.** Since the establishment is already having the number of employees much more than the threshold number for coverage and now 7 more employees (contractual) are added to the workforce, with monthly wages of INR 10000/-, the establishment is obliged to take coverage under the ESI Act, 1948. Even for a single eligible employee in the establishment, it is mandated to be covered under ESI Act, 1948.

Mr. Supriyo Banerjee

**Q.5. One corporate hospital has indoor-outdoor facilities. General patients keep coming in, on regular basis. They get access to the services of the hospital based on compliance of health and wellness norms. Suddenly, a group of technicians, engaged in Cardiology Testing & Examination, have started absenting in the group. Management has asked them to continue with the services as they have been doing; food, boarding and PPE kits have been adequately provided to them. Still they are absent. The Management has asked the HR Head to deal with the situation. Company branding is getting tarnished because of this. What should the HR Head do?**

Mr. Avijit Kumar Basu  
26-04-2020

**Ans.** It is to be understood that human behavior is unpredictable and hence there is a need to undertake a Root Cause Analysis. The HR should engage a third party to consult with the absent staff and deep digging into the reasons. Key is to build trust. Secondly, build some reward and recognition platforms to ensure staff presence and working with full motivation. Those who will not join will not get paid. In addition, highlight essential services compulsion directive from the Government. Disciplinary action is to be initiated if no valid reason is given for absenteeism. As a backup, other staff need to be trained in multi skilling wherein they can grow and the system is not handicapped by a few odd mindsets. Fear of others taking over their jobs push employees to deliver, at times.

Mr. Debraj

## Expert Comments

HR Head requires to enforce discipline at the place, initiate appropriate action, maintain humility, compassion, and at the same time ensure no disruption in service takes place. Notably, HR Head has to do the needful on business continuity part other than compliance with zero deviation.

**Q. 6. One steel rolling mill company, having corporate office in Kolkata, supplies their finished product as raw material for an MNC steel conglomerate in a neighboring state. Now, the MNC client has informed that in the next 6-12 months, order would be reduced to 40-50%. This steel rolling company does not have any back up to fall back upon. The management has asked the HR Manager to devise a plan for man power reduction. S/he has sent one template to all the production, maintenance and all other functional heads to share their requisite head count - against the reduced order volume.**

S/he has got the inputs. Management has given the leverage to identify 'dead woods' as per HR judgment. There is no PMS. Rather people with legacy are there with 20-25+ years of experience - not so productive but actively engaged. The HR manager is much younger in age and experience. S/he has got a set of queries-

- a) How to rationalize the man power as desired by the management?
- b) Who should s/he target first and with what justification?
- c) The management is ready to pay one month notice pay. How would s/he communicate to the employees who are asked to go?
- d) To mitigate the risk exposed in terms of legal and statutory aspects, what precautions are to be taken?
- e) As a whole, how should the situation be suitably dealt with?

Mr. Avijit Kumar Basu  
11-05-2020

**Ans.** Since there is no PMS, LIFO is the only way as manpower history is expected to be there, although

not stated explicitly. A shorter list needs to be created to exercise LIFO - basis order type, skill type required as per job cards and existing order - taking input from Line on which LIFO to be applied, post discussion between Line and HR in the negotiation mode. Rationalizing has its adverse impacts called survivor syndrome, so communication around the rationalization has to be sensitively handled. Since, due to COVID meetings can't happen, so a direct call with members needs to be done with options shared like counseling, outplacement help, etc. Although it is better to retain talented new incumbent but if the role is defunct and that order in short term is not expected to come, it can be a liability for short term and hence following the labor laws on this aspect is better. Redundant declared members should be explained clearly the situation of the company. At the point of this dialogue, financial assistance needs to be given - which in this case is one month salary and pending dues. Also underline the other assistances, if any, to be provided to them and also a possibility of recall in case the situation improves. If member agrees to provide resignation, a proper relieving letter should be given along with an experience letter. Voluntary resignation could have been done in a normal situation but in Indian context, it has some issues and in the current context it will create more adverse speculations.

Mr. Uddalak Banerjee

### Expert Comments

- Principle requires to be set first – age, performance, tenure of service, skill set, health, core, non-core job
- Departmental HODs inputs may be obtained appropriately
- As it is evident that the organization is not professionally managed, the HR Manager requires to depend on the sales forecast, production planning, identifying essential and non-essential jobs
- Retrenchment principle may be adhered to
- Communication to be made one on one in presence of the Function Head
- Labor Department be intimidated

**Q. 7. In a tea-coffee retail chain - amid lock-down - a few ex-employees (already resigned) have absconded - no whereabouts - not traceable. They are not responding to calls from HR. The CFO has mandated to settle all F&F pending by May 2020 as it is an audit requirement. As a laid down process, employees will have to be communicated by the HR through registered and A/D post to settle the outstanding dues payable to the company else appropriate action would be initiated, including legal measures.**

**As a HR Manager, what s/he do?**

Mr. Avijit Kumar Basu

12-05-2020

**Ans.** As an HR Manager, he/she should draw a deadline of 4 to 5 days and start writing a mail to those absconding employees/communicate through the subordinate departmental employees to connect with the organization within the given timeline. If no response is received, then the full and final settlement of those absconding employees should be put on hold permanently and the release letter should be stopped. However, this needs a prior approval from the senior management.

As per the HR rules, the company may seize all the payments of any absconding employee if he/she does not respond to the official communication by the organization within the given timeline.

Mr. Gautam Singh

**Q. 10. One health care retail chain was on a growth path. Every month professionals were being hired on the basis of CTC – Fixed + Monthly Profit Sharing structure percentage wise. Sudden lockdown has disrupted the business. The top management has asked for reduction of wages. Current wage bill is 30% of total expenses. Reduction of wage bill, irrespective of a tenured employee or newly hired personnel, is always a lucrative option as it is a low hanging fruit. The CPO has been asked to devise a plan considering the next 6 months. The new business model - on remote mode - has been evolved and rolled out. However, percentagewise, supplementary business volume is only 7% which is non-sustainable. In fact, if business takes off again, the special**

competency based professionals need to be hired once again with much higher CTC.

As the CPO what will you do?

Mr. Avijit Kumar Basu

12-05-2020

### Expert Comment

CPO may ask them to go for sabbatical leave or explore retention pay model.

**Q. 9. One multi-branded departmental store has a PAN India presence. The policy is to hire outsourced manpower. The Union for these outsourced employees was entitled to State MW. Now, the opposition backed union (with external leadership) has submitted CoD to the management with demands for higher wage, shift allowance, attendance allowance, daily incentive, hardship allowance for festivals, etc.**

**The management has not entertained the matter. This happened in the month of January, on 28th. Suddenly, it was seen that the employees undertook wearing of black badges, work to rule. The matter got flared up. The unionized employees used abusive language towards floor supervisor and threatened him. The service provider issued suspension pending enquiry and the principal employer lodged a police complaint. The matter took a turn towards worse. The ruling party's local leadership assured and communicated to the management to take a firm stand and not to pardon anyone otherwise they will start demonstration and non-cooperation. The anti-ruling party union intensified their agitation. Customers got frightened to enter the stores. Just on 1st February, one video clipping got uploaded on the website of the party's Twitter handle showing images of agitated unionized employees in front of the stores and represented in the said video clipping that the management drove the employees out of the stores for alleged act of singing the National Anthem on Republic Day inside the Stores. The MNC management got perplexed. It asked the regional HR Head, National Head to take immediate measures to arrest nuisance, restoring**

**the brand image already tarnished, and putting discipline in place without business disruption.**

**Being the regional HR head, what will you do?**

Mr. Avijit Kumar Basu

14-05-2020

**Ans.** Being a Regional HR Head, first of all he/she should keep in mind the brand image of the MNC and he/she should play a mid-player between external union and management. First of all HR should convince the management to approve few of the major points raised by them like payment of over time, hardship allowance for major festivals, and start a monthly and quarterly sales incentive scheme on achievement of set targets. Secondly, he should take into confidence the ruling party unions and the team leader of the sales team. Unofficially and parallelly, he/she should also ask an external team to start the investigation of the event and an assurance message should be floated that the guilty will be punished. Next, an effort should be made to try to solve this issue out of box with the ruling party unions and the sales team leader and ask them to start the store operations immediately. The ruling party unions should be asked to remove the video from the social media stating that the company is in the process of investigating the event and appropriate action will be taken accordingly. To solve this issue, huge support would be needed from the senior management team for financial and immediate approval. Next, a fresh agreement will be signed with the third party vendor mentioning all the clauses agreed upon by the management and a clause should also be mentioned on behalf of management that this clause will remain same for the next three years but yearly increment will be given on the basis of the performance.

Mr. Gautam Singh

### Expert Comment

- Failure of industrial intelligence
- CCTV Footage be kept in safe custody and requires minute scrutiny
- Police Complaint, Disciplinary proceedings by the Service Provider Management: Suspension pending enquiry: Employees would be deprived of daily sales incentive which may prompt the

employees to mount pressure on their leadership to arrive at a settlement fast: earning got impacted adversely

- National Party HQ be briefed and convince them to remove the derogatory and false allegation
- Sending enquiry notices etc. to the residential address of the vendor employees under suspension pending enquiry so that they could face pressure from the family members
- Not to get into the trap of inter union rivalry: maintaining equal distance and act based on principle and law of the land: Not to consider any short- term gain – a clear message should be conveyed to the store employees
- Section 144 (2) CRPC, Section 107 IPC be explored in consultation with the Legal Advisor
- Negotiation with the Union Bodies be continued – strong written communication be sent to them
- Strong written communication be sent to the Administration, Local Police Station, District HQ, State Administration, (+Fire Department & Electricity Department as preventive measure against any unforeseen accident), Labor Secretariat, Labor Commissionerate, Appropriate Authority including Conciliation Officer
- Notice be displayed – suspension of work based on the situation
- Preferable solution: Delinquent vendor employees not to be entertained at the same Store - Domestic enquiry be completed by the Vendor i.e. Service Provider as per system and complete the formalities and action be taken by the Management of the Service Provider
- Not to withdraw the Criminal proceedings : law should take its own course

**Q. 9. If someone's basic pay was Rs. 15,000 and it has come down to Rs. 14,000 post deduction, will the PF be calculated on reduced basic or will the PF be reduced as per loss of pay days? Deducted payment has been made for April and May. Now the corporate HR has devised a pay day calculator through which pay deduction percentage is linked with equivalent number of days' loss of pay -**

**meaning if anyone has 10% deduction on CTC, for the deducted amount equivalent number of days' loss of pay has to be shown in the pay slip. Are there any MHA guidelines to register attendance of female staff with children below 5 years in offices?**

Mr. Avijit Kumar Basu

03-06-2020

**Ans.** PF is to be calculated on the actual earned wages in a month.

Mr. Supriyo Banerjee

**Q. 10. Around 50 people in a pharmaceutical company have not reported as they are stuck in their native places from 22nd March to till date; they haven't even bothered to inform their managers. Since the Pharmacy comes under essential services, can the management be allowed to terminate these employees on the grounds of absconding without intimation, as in a normal course of action? The company secretary is objecting that during COVID situation, this can't be done. What should you do as HR Manager?**

Mr. Avijit Kumar Basu

05-06-2020

**Ans.** Based on this situation, the following steps can be taken - 1. Write an official email to the employees to resume duty mentioning a joining date depending on the availability of the transport 2. If no response is received from the respective employee(s), then issue a show-cause letter mentioning the no-work-no-pay clause 3. Post the show-cause letter and when the situation becomes normal, the reasons may be discussed and judged and accordingly action can be taken. In this situation, there is a need to act more like humans rather than professionals.

Mr. Gautam Singh

#### Expert Comment

- As it is an unprecedented matter, termination or disciplinary path should ideally be avoided
- Instead, they should be given support to resume duty
- Their daily allowance, attendance based payment should be stopped/curtailed for their period of absence with proper notification

**Q. 12. There is an employee at a factory who always starts arguments whenever he is given a task to be done. Last time, about a year ago, he received a Final warning letter for doing the same. Yesterday again, the same thing happened. Can the company terminate the employee immediately?**

Mr. Avijit Kumar Basu

05-06-2020

**Ans.** First of all, it is important to understand the value or importance of this employee. If he is really a productive employee, then the following process could be followed -

1. One-on-one official discussion can be arranged with the management team, on record. Understand the actual cause of his behavior because most often, people of this kind may have some issues with the management regarding salary, increment, designation, posting, etc. If the management team has really agreed to accept the points raised by the employee, then this may solve the issue permanently as this kind of employee can spread the poison to the entire pond.
2. If the discussion will not work then issue the final warning letter mentioning an observation period of 2 months and if the same incident happened again, then immediate suspension/termination can be issued to the employee.
3. If the discussion really works then take a written letter from this employee and get signed a condition that if the same incident happened anytime in the future, then company will not spare any time for the discussion and immediate action would be taken on the employee.

Sometimes the management has to be flexible in terms of the productivity of the employee and take steps to stop the spread of poison to all.

Mr. Gautam Singh

#### Expert Comment

- Past behavioral omission requires to be documented
- If the employee is repentant on past occasions: It is better to have his letter of apology with the signature of his well wishers (!) / fellow

employees

- Termination is a result of disciplinary procedure which cannot be inflicted without principle of natural justice and arbitrarily.

**Q. 13. An MNC into the brewing and packaging industry undertakes packaging activities using the model of service contract - principal to principal. The payout is on production and productivity while there is no direct supervision and control. In the new normal scenario, the company wants to give gifts to the packaging personnel engaged by the company as a token of acknowledgment towards the contribution of the contract employees.**

- a) **Is there any risk associated into as per CLRA? If yes, what are those critical control points?**
- b) **If not, why is it not a risky proposition?**
- c) **If the company continues to give the gifts, what precautions are to be taken?**

Mr. Avijit Kumar Basu

19-06-2020

**Ans.** The situation presents no risk at all on the principal employer. Mere gifting to service provider employees does not invoke any employer employee relationships. It's all about master control on servant, power to appoint, supervise, control, initiate disciplinary proceedings, termination, discharges, etc. which are exercised by the vendor/service provider.

Mr. Supriyo Banerjee

#### Expert Comment

- It is advisable that Service Provider would procure and distribute among its own employees and the actual expense could be reimbursed by the Principal Employer.
- GST element should be taken care of appropriately

**Q. 14. An organization has engaged a contractor. The contractor has been engaged by the principal employer for loading - unloading activities at the plant. The system is that loading - unloading activities take place only on Saturday and Sunday**



**in the week. The contractor treats it as a part time employment for 8 day in a month. The PE and contractor want to be fully compliant in terms of law of the land. They want to give the employees MW- Gratuity- Bonus etc. as per entitlement.**

- a) **How to go about it? How to devise a fool-proof system for statutory compliance?**
- b) **Should the contractor take a declaration from the contract laborers that they would not work for more than 8 days in a month?**
- c) **How to calculate Bonus- Gratuity etc.?**
- d) **Any other critical control points to be taken care of?**

**Since employer is willing to give all statutory benefits, contractor can deposit PF and ESI along with part time earnings and at the same time can give bonus and gratuity along with monthly payment.**

Mr. Avijit Kumar Basu

24-06-2020

**Ans.** CLAR registration of PE and Licensing by the Contractor are the two basic foremost things to be done to segregate the liability between the PE and the Contractor so as to ensure that the employees are of contractors for which the Contractor remains directly responsible under Section 21 of the CLRA Act, 1970 and rules framed there under. Since it is a loading and unloading job, payment may be disbursed on unit basis or may be monthly, as the case may be, and probably a specific MW is to be notified for unskilled/loading unloading work. Otherwise, it is recommended to go by the Schedule of Employment in which it falls.

Mr. Supriyo Banerjee

**Q. 15. If a company does not pay leave encashment at the time of final settlement, due to poor financial performance of the company, can it be challenged in the court of law? Is the company bound to pay the leave encashment amount?**

Mr. Avijit Kumar Basu

08-07-2020

**Ans.** If it is a condition of service under any agreement or appointment letter or provisions laid down in Shops

and Establishment Act and rules of the State, then it becomes a legitimate right of the employee to receive and hence cannot be refused unless the company has been closed down or has gone in to liquidation. Mere financial loss is not enough to safeguard the employer in waiving off legitimate dues of employees. If the employee approaches the judicial authority or statutory authority concerned, the order is supposed to go in favor of the employee. Wherever the establishment is having certified Standing Orders or a MOS in place, refusal of leave encashment may lead to an industrial dispute.

Mr. Supriyo Banerjee

**Q. 16. Which act will be followed by HO / corporate office of any manufacturing company with HO and factories - Shops and Establishments Act or Factories Act?**

Mr. Avijit Kumar Basu

10-07-2020

**Ans.** In my opinion, based on experience and applicability, Shops and Establishments Act shall have to be covered for CHO independent of the location of manufacturing activities.

Mr. Jyoti Prasad Chakraborty

**Q. 17. Plant HR manager is in the midst of a morning meeting, when he received a call from time office that one lady named Zahira Bibi has come to time office and has been crying loudly. It's tea break time, CLs in and around surrounded her and the security supervisor has just come to know from Zahira that her husband Ashikul is an employee of boiler section who has not been reporting to duty since 22/03/2020. HR department had sent the communication to report to work but no response had been received. Now, Zahira has come up with a statement that her husband Ashikul's feet got burnt injury at the plant while he was on duty. He was handled by the departmental manager and was sent back home on 22/03 with some first aid. He was supposed to report to ESIC dispensary which he did not. The department did not pay much attention to that nor did they inform the HR department to note this down as a factory accident/reportable incident etc. Now, the injury of Ashikul got deteriorated, the**

local doctor was approached for treatment and one foot may have to be amputated.

You are the Plant HR Manager and today is 17/07/2020. The ESIC Contribution for the last few months has not been deposited. No reporting was made to ESIC and the Factories Inspector. Amid lock down, you need to take corrective actions and establish preventive mechanisms in a compliant way.

Mr. Debapi Basu

17-07-2020

**Ans.** The procedure followed should be: 1. Ask for an immediate report from the department manager and if the incident is found to be true then immediate assurance for bearing all medical costs and job for a family member in the same company, post taking the immediate approval from the plant director. The issue is sensitive and may create a big hue and cry inside the factory premises and this may affect the work culture. This news can also be spread to the other workers. 2. Immediately deposit the pending ESIC payment and contact with the known ESIC officer for the next step. 3. Send an official team to Ashikul's house to know his current health status. 4. If any Unions exist in the plant, then the Union leaders have to be taken into confidence, because Zahira Bibi will visit them next and they will start the communication. 5. Set up an official two person team to help Zahira Bibi with any kind of communication for medical support. 6. In an official email, ask the HR team why the ESIC payment has not been done.

Mr. Gautam Singh

### Expert Comment

- Total failure of the management
- Factory Accident should have been recorded
- A departmental enquiry be constituted
- Factories Directorate, ESIC -Local Office, Panel Doctor of the IP be immediately informed

**Q. 18. You are the Unit HR Manager of a big retail chain. Today i.e. 17/07/2020 - you have come to know from the store manager that one of your staff met with an accident on a bike while going back home on the night of 15/07. The staff was posted in a store at Kolkata and was returning from duty**

after the afternoon shift when the accident took place on the outskirts of Howrah. He fell down from the bike, got some injury on head but could go back home, had dinner, vomited suddenly, felt breathless and passed away. He did not want to visit the hospital owing to COVID fear. At dawn, on the advice of villagers, the family members burnt him in the local burning ghat (make shift arrangements) without any death certificate etc. The villagers did not get into hassle of reporting the road accident. Now, the store manager has come to the Unit HR Manager to report and process the claim settlement of dues of the deceased employee. The employee was not married. He has left behind parents and one differently-abled 20 year old brother. Retail store employees have come to meet the Unit HR Manager in the evening and are asking for assistance from the Company. But no one has any death certificate or document to produce in support of his death and claim thereof. What would you do as Unit HR Manager?

Mr. Debapi Basu

17-07-2020

**Ans.** Follow the duty of any Unit HR Manager in this case -

1. Get this incident certified by an internal source.
2. Check the duration of employment of the deceased employee and as per the duration of his employment in the organization, Unit HR manager can talk to the senior management for any cash compensation as he was returning from duty when this accident happened. Discuss also that in view of the non-availability of any medical and death certificate, there is no chance to process the other statutory dues like PF, Pension and Gratuity from the organization's side.
3. Immediately process all the others dues like salary, sales incentives and bonus and others payments which are not dependent on the medical certificate or death certificate.

Handover of the payment should be made only to the family members.

Mr. Gautam Singh

### Expert Comments

- Asking the sympathizers to submit a written application for such assistance and incident reporting
- Asking the sympathizers to give a Police Report, Certificate of the Panchayat
- Asking the Sympathizers to submit the prayer and supporting document of the claimant
- Financial and non-financial support could be extended but for any legitimate claim : system and process is required to be adhered to
- Unpaid salary etc. could be deposited to Labor Welfare Fund as per statutory provision.

**Q. 19. You are the Plant HR Manager. You have come to know today that Ashif Haque and Imtiyaz Ahmed of rolling section have been diagnosed as Covid (+). Today is Tuesday. Day before yesterday was weekly off day and their section was shut down. You had got the information that they might be Covid (+) as per the statement of their Section Head and on Saturday you had asked them to go for Covid test on the next day (Sunday) and convey to you the finding of the report. Monday they didn't turn up or communicate anything. Today, on Tuesday, they have reported to Time Office with the report and the watch & ward supervisor has informed you about both the cases being Covid (+). You instantly asked the WW Supervisor to tell them not to report to duty for next 14 days and leave the plant premises immediately. The matter has been taken up by the union leaders (main group). They have met you with a demand for full pay of 14 days based on your instructions and the cost for all the treatment, food etc. They have alleged that they got infected in the plant premises only.**

Soon after, the opponent group of Union has come and met you with a demand that 3 of their members were feeling feverish and as a preventive measure they would go for Covid test and that all assistance, financial support, and no salary cut are required to be committed to by the Plant HR Manager. They have put forth a demand that 2 of their members got an inconclusive report from the hospital and that they have been advised by the doctor to go for home isolation for 14 days. They

would have to be benefited.

- No Covid Policy has been notified yet by your Company.**
- The Plant Head asks you to deal effectively with out any chaos or down time.**

**How would you tackle the situation?**

Mr. Avijit Kumar Basu

28-07-2020

**Ans.** 1) First of all, when the HR got information that two of the employees have symptoms of Covid, they should have been sent for testing immediately. 2) Secondly, it has to be seen whether the company is abiding by all the guidelines of workplace for Covid-19 or not, like thermal scanning, wearing nose mask, using hand sanitizer and hand wash, maintaining social distancing, staggering of lunch break, gap between shifts, educating the workers, displaying pamphlets of Government directives in the workplace etc. 3) A meeting with union leaders needs to be organized once in a fortnight to keep them involved. 4) The Union leaders need to be informed that the company is following all the guidelines of the Government. The employees stay for only 8 hours in the factory premises and the remaining 16 hours they are spending as per their will. Hence, it is very difficult to judge whether they were infected in the factory or outside. It is also the duty of HR to be in continuous contact with the infected employee about his report. Generally the corporate office comes under Shops & Establishment Act. As the Government announced lockdown on a weekday, the company can ask the employees to work on the weekly off day by displaying the notice mentioning the Government order and also send the copy to the local labor office.

Mr. Sumit Ray

**Q. 20. One HR professional Mr. Purakayastha, with 10 years of plant HR experience, suddenly lost his job outside the State. He has been exploring a new job opportunity. After a few months, he got another plant HR job in an MNC (Happy Workplace) with less CTC. While he was exploring jobs, he came into your close circle, sought your support for exploring opportunity. You are senior to him in experience and age. You have moved into**

a new company in the position of HR Head, with multiple plants in your operational sphere. There arose a vacancy for the position of Plant HR in one of your plants. You arranged for the interview, he was successful, met the CEO and offer letter was issued to him as per his expected CTC, based on negotiation. Certainly, it is more than his current drawing. Since he hails from the outskirts, you have arranged a transit flat for him for 6 months as an exception. He is about to join on 1st August. Today you noticed that he has not been receiving your phone calls. You asked him to respond with a confirmation for joining the Induction Program. After a couple of hours, you receive one message from him that he is unable to join you and your organization below '...lac'CTC. He is feeling bad to decline the offer.

- a) What are the consequences to the management as you referred the candidate and you are also new in the system and you also added some exceptional provisions for the candidate?
- b) How do you fill-in the position immediately?
- c) What has gone wrong- what didn't you do! What should have been done by you?
- d) The management has asked you to respond to him appropriately. What should you do and how?
- e) What should be your preventive action in future for such type of hiring?

Mr. Avijit Kumar Basu

30-07-2020

**Ans.** The real question is did he accept the extended offer verbally or in writing? If yes, then "Feeling bad to decline the offer" is irrelevant. This is after the negotiation and meeting his initial expectations. So, just move on. If he had not accepted the offer, it would have meant that the negotiation was still ON. We could consider a new figure, make discounts to the "special considerations" made earlier, and go from there, assuming he is a great candidate.

1. Nothing more than a temporary and minor loss of face/credibility. Hopefully, he was not the only one being recruited. And hopefully, due

process was followed for selection. This could've happened with a candidate even if one had not made special considerations. And you are not the only one to blame here. Your role ended when an interview was arranged. His succeeding in the process is on everybody involved.

2. If there were other candidates interviewed, there could be someone good enough. Or else, go back to recruiting. Urgency to fill shouldn't be a reason for compromising on the quality. Temporary adjustments could be made like finding someone within to oversee two plants, if possible.
3. Really not sure if there's anything that could have been done, apart from always having a plan B, i.e. the second best candidate. This is a probable outcome of the hiring process. Isn't it possible that the CEO did not like him, and he did not get selected? Or that he joins and then leaves within a week?
4. If he had accepted the offer initially, the recommendation would be to stay firm with the offer, and communicate the special considerations already extended.
5. Learn from the lesson, and move on - Don't put all your eggs in one basket.

Mr. Viraj Verma

**Q. 21.** You are the regional HR manager for a courier company. The delivery boys are engaged through ABC - a renowned outsourcing company. The MNC courier company treats its outsourced (off-roll) employees as their own on-roll employees, without any discrimination. The arrangement is for keeping the FTE HC as bare minimum. They also undergo the annual performance assessment cycle. One courier boy - Biswanath was rated 'development' case and subsequently cleared PIP. This year also he is not doing exceedingly well. The regional function head just dropped in your chamber while you are having your tea - he came in and started sharing his grievances - alleged complaints against Biswanath on customer's allegation. He has allegedly been showing negligence and casual approach. He did

not pick up the delivery from some of the MNC clients office at Sector V and customer escalation has happened. In spite of them being the key clients, Biswanath did not bother to visit their office on Saturday even though it was not a lockdown day. The function head Rajat is just demanding you to terminate Biswanath immediately or ask him to quit. It's a business call and nothing can be done. Otherwise, HR will take Biswanath in their head count.

- a) As Regional HR Head what all are your actionables?
- b) What all are the critical control points?

Mr. Avijit Kumar Basu  
31-07-2020

**Ans.** To meet the end of principle of natural justice, Biswanath should be show caused before termination. The establishment must have all documents ready against his non-performance and all his non-performance must be mentioned in show cause letter also. This will minimize the risk of harassment of the employer if the employee moves to the Conciliation machineries claiming to be aggrieved by any decision of the employer. Client's mail on Biswanth's act of negligence would help a lot in this case

Mr. Supriyo Banerjee

### Expert Comments

- He is an outsourced employee : limited option for Principal Employer
- The offender as per written complaint can be transferred through the Service Provider as an immediate solution
- Day to day administration on outsourced employee by the Principal Employer is not justifiable

**Q. 22.** You are the HR head for a manufacturing based organization. The management has asked you to discontinue leave encashment, accumulation at office and plant, and to operate from HO. Your plant is covered under the Factories Act & Rules. The Corporate Office runs under S&E Act & Rules. Amid the pandemic, the CEO has asked you to restructure the company leave policy across the organization. Till now the

leave policy has been - A. 5 day work-week in corporate office; PL-30 days, SL-15 days, CL-10 days, national holidays-4. No leave for intervening holidays or weekly off days, no prefix or suffix, no compensatory off. Leave accumulation allowed till 60 days and leave encashment beyond 60 days but not more than 15 days in any of the circumstances at a time.

B. There are no trade unions in the plant. Standing Order is in existence. Leave provision - PL-30 days, CL-10 Days, SL-Nil, national holidays-4, compensatory leave-as per act, WO-1 day. Leave encashment and accumulation allowed like corporate office.

- a) What to do?
- b) How to do?
- c) When to do?

Mr. Avijit Kumar Basu  
07-08-2020

**Ans.** Accumulated leave needs to be permitted to be encashed by employees as a one-time payment. Those who do not want to encash the accumulated leave now, would be paid in F&F. Changes need to be effective from the next FY, as it requires a lot of reconciliation.

Mr. Tapadhir Bhattacharya

### Expert Comments

- No arbitrary action can be initiated
- Standing Order, Leave Rule for Factories, Leave Rule for S&E and Notice of change as per ID Act and Rule there under be complied with

**Q. 23.** You are a plant HR manager in a cement manufacturing plant at Durgapur. The management has decided this year not to ask CLs to work on 15/08. Till last year they used to get work done on national holiday -15/08. This year - the decision was communicated to all concerned. On 15/08, all the employees, CLs, and other stakeholders were invited to attend the flag hoisting ceremony. Everyone attended. The program took off with a speech from the Plant Manager. Suddenly, the group of CLs attending the session (belonging to Right Ideology political camp but not the ruling party-very unlikely), started shouting for job on 15th August, managerial

employees protested. The CLs locked the HR department people in the cabin, snatched away the mobile phones and ransacked the place and forcibly left the plant premises. Everyone got shocked. Plant management has made a police complaint at the local PS. Local MLA is from Right but not Ruling party camp. Local Administration is under pressure of MLA asking the management to come to a mutual understanding. The production can't be stopped at any cost.

- a) What are the dynamics of the occurrence?
- b) What all steps should be taken by the management to control the situation?
- c) How could the management reinforce discipline in the workers?
- d) What are the critical points and sensitivity of the issue?
- e) What steps should be taken to insulate the interest of the company as a long term strategy as well as a short term plan?

Mr. Avijit Kumar Basu  
17-08-2020

**Ans.** Can it be assumed that only a section of the contract labor is part of the vandalism, and the bigger CL group does not support this hostility? Some steps to be considered –

1. Management to take proactive steps to understand and address the issues of CL. For this, a committee may be formed with representation of Management, contractors, and unions.
2. Management to ask the various contractor companies to execute the work without stoppage.
3. Henceforth, consult with contractor companies prior to announcing a holiday for CL.
4. Announce the yearly public holiday calendar for CL in advance.
5. Sensitivity could be that CL felt ignored in decision making related to their earnings and were impacted adversely due to the announcement of the holiday. Consider allowing CL to work overtime to cover the loss of earning. Get an undertaking from contractor companies that they will be replaced if this incident recurs. Contractors are required to submit a written apology to the management. Also, there should be a provision for standby contractors to meet work

requirements. Local MLA is not responsible for the profit or loss of the organization; so manage him/her but be firm and do the right thing for the organization and the CL.

Ms. Lakshmi Asnani

### Expert Comments

- This is not an overnight reaction from the people side
- Dynamics – Local vs. Outsider, CL vs. Permanent Employees, Right vs. Ruling Party, Pro Management vs. Anti- Management, faction of political entities and management, inter and intra vendor rivalry
- Long Term Strategy and Short Term Plan to be hatched to control the situation
- Indiscipline should not be tolerated
- Local Chamber of Commerce be brought into the scenario so that they could mount pressure on the district and state administration
- Strategically it should be reported in the Media
- Legal Advice be sought and lawful action be initiated
- CCTV footage will help the Management in support of their complaint
- Management will face double edged challenges – Local MLA would ask the Management to compromise and the ruling party will insist the Management to take bold step against vandalism
- Maintaining the Production would be extremely difficult and challenging
- Conciliation machinery would not be of much help and support
- FIR/GD - Lodging the same with the help of local PS – not be so easy
- Sec. 144 (2) has to be exercised in consultation with the Legal Advisor
- Dialogue among the stake holders be continued
- The culture change will not happen overnight : changes take place according to political scenario : Management should take decision firmly, lawfully, judiciously and in transparent manner.

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