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## Leadership Theory

The word **leadership** can refer to:

1. Those entities that perform one or more acts of leading.
2. The ability to affect human behavior so as to accomplish a mission.
3. Influencing a group of people to move towards its goal setting or goal achievement. (Stogdill 1950: 3)

A leader is simply someone who has followers.

### Types of leadership styles

#### bureaucratic leader

The **bureaucratic** leader ([Weber](#), 1905)[1] is very structured and follows the procedures as they have been established.

#### charismatic leader

The **charismatic leader** (Weber, 1905) leads by infusing energy and eagerness into their team members

#### autocratic leader

The **autocratic leader** is given the power to make decisions alone, having total authority.

#### democratic leader

The **democratic leader** listens to the team's ideas and studies them,.

#### laissez-faire

The **laissez-faire** ("let do") **leader** gives no continuous feedback or supervision because the employees are highly experienced and need little supervision to obtain the expected outcome.

### people-oriented leader

The **people-oriented leader** is the one that, in order to comply with effectiveness and efficiency, supports, trains and develops his personnel, increasing job satisfaction and genuine interest to do a good job.

### task-oriented leader

The **task-oriented leader** focus on the job, and concentrate on the specific tasks assigned to each employee to reach goal accomplishment.

### servant leader

The **servant leader** facilitates goal accomplishment by giving its team members what they need in order to be productive

### transaction leader

The **transaction leader** is given power to perform certain tasks and reward or punish for the team's performance.

### transformation leader

The **transformation leader** motivates its team to be effective and efficient.

### environment leader

The **environment leader** is the one who nurtures group or organisational environment to affect the emotional and psychological perception of an individual's place in that group or organisation.

### Difference between HRD & HRM

Human resource management is the art of managing human workforce in an organization in an optimum manner which is beneficial to the employee as well as the organization in achieving the organizational goal.

human resource development is a part of human resource management. it deals with the all round development of an employee within an organization, his career development, training, counseling, updating him with the latest technology, helping him explore his potential and develop his skills which would prove beneficial to both the employee and the organization in

achieving the organization goals. it also means allocation of resources for the development of the employee

Yahoo describes

Human resource development, is the process of changing an organization, its employees, its stakeholders, and groups of people within it, using planned and unplanned learning, in order to achieve and maintain a competitive advantage for the organization.

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contribute to the achievement of the objectives of the business

## **OD Interventions**

## **HRD Interventions**

## **Motivational Theory**

### **Theory X & Theory Y**

Theory X and theory Y are theories of human motivation created and developed by [Douglas McGregor](#).

In this theory, management assumes employees are inherently lazy and will avoid work if they can. Because of this, workers need to be closely supervised and comprehensive systems of controls developed. A hierarchical structure is needed with narrow [span of control](#) at each level. According to this theory, employees will show little ambition without an enticing incentive program and will avoid responsibility whenever they can.

In this theory management assumes employees *may be* ambitious, self-motivated, anxious to accept greater responsibility, and exercise self-control, self-direction, autonomy and empowerment. It is believed that employees enjoy their mental and physical work duties. It is also believed that if given

the chance employees have the desire to be creative and forward thinking in the workplace. There is a chance for greater productivity by giving employees the freedom to perform at the best of their abilities without being bogged down by rules.

## **Maslow's hierarchy**

Maslow's hierarchy of needs is a theory in [psychology](#), proposed by [Abraham Maslow](#)

Self-Actualization – Acceptance of facts, problem solving, creativity, morality  
Esteem – Self-esteem, confidence, achievement, respect of others, respect by others

Love/Belonging – Friendship, family , sexual intimacy

Safety - security of employment, of family, of resources, of morality, of health

Physiological – breathing, food, water, sex, sleep, excretion

### Deficiency needs

The first four layers the pyramid are what Maslow called "deficiency needs" or "D-needs": if they are not met, the body gives no indication of it physically, but the individual feels anxious and tense. The deficiency needs are: survival needs, safety and security, love and belonging, and esteem.

### Physiological needs

These are the basic human needs for such things as food, warmth, water, and other bodily needs. If a person is hungry or thirsty or their body is chemically unbalanced, all of their energies turn toward remedying these deficiencies and other needs remain inactive. Maslow explains that "Anyone who attempts to make an emergency picture into a typical one and who will measure all of man's goals and desires by his[her] behavior during extreme physiological deprivation, is certainly blind to many things. It is quite true that man lives by bread alone — when there is no bread".[\[1\]](#)

The physiological needs of the [organism](#) (those enabling [homeostasis](#)) take first precedence. These consist mainly of (in order of importance):

- ⌚ Breathing

- ⌚ Drinking
- ⌚ Eating
- ⌚ Excretion
- ⌚ Sex

If some needs are not fulfilled, a person's physiological needs take the highest priority. Physiological needs can control thoughts and behaviors and can cause people to feel sickness, pain, and discomfort.

### Safety needs

With their physical needs relatively satisfied, the individual's safety needs take over and dominate their behavior. These needs have to do with people's yearning for a predictable, orderly world in which injustice and inconsistency are under control, the familiar frequent and the unfamiliar rare. In the world of work, these safety needs manifest themselves in such things as a preference for job security, grievance procedures for protecting the individual from unilateral authority, savings accounts, insurance policies, and the like.

For the most part, physiological and safety needs are reasonably well satisfied in the "First World". The obvious exceptions, of course, are people outside the mainstream — the poor and the disadvantaged. If frustration has not led to apathy and weakness, such people still struggle to satisfy the basic physiological and safety needs. They are primarily concerned with survival: obtaining adequate food, clothing, shelter, and seeking justice from the dominant societal groups.

Safety and Security needs include:

- ⌚ Personal security from [crime](#)
- ⌚ Financial security
- ⌚ Health and well-being
- ⌚ Safety net against accidents/illness and the adverse impacts

### Social needs

After physiological and safety needs are fulfilled, the third layer of human needs is social. This psychological aspect of Maslow's hierarchy involves emotionally-based relationships in general, such as:

- ⌚ [friendship](#)
- ⌚ [intimacy](#)
- ⌚ having a supportive and communicative [family](#)

Humans need to feel a sense of belonging and acceptance, whether it comes from a large social group, such as clubs, office culture, [religious groups](#), professional organizations, sports teams, [gangs](#) ("[Safety in numbers](#)"), or small social connections (family members, intimate partners, mentors, close colleagues, confidants). They need to love and be loved (sexually and non-sexually) by others. In the absence of these elements, many people become susceptible to [loneliness](#), [social anxiety](#), and [Clinical depression](#). This need for belonging can often overcome the physiological and security needs, depending on the strength of the peer pressure; an anorexic, for example, ignores the need to eat and the security of health for a feeling of control and belonging.

### Esteem needs

All humans have a need to be respected, to have self-esteem, self-respect, and to respect others. People need to engage themselves to gain recognition and have an activity or activities that give the person a sense of contribution, to feel accepted and self-valued, be it in a profession or hobby. Imbalances at this level can result in low self-esteem or inferiority complexes. People with low self-esteem need respect from others. They may seek fame or glory, which again depends on others. It may be noted, however, that many people with low self-esteem will not be able to improve their view of themselves simply by receiving fame, respect, and glory externally, but must first accept themselves internally. Psychological imbalances such as depression can also prevent one from obtaining self-esteem on both levels.

### Growth needs

Though the deficiency needs may be seen as "basic", and can be met and neutralized (i.e. they stop being motivators in one's life), self-actualization and transcendence are "being" or "growth" needs (also termed "B-needs"); i.e. they are enduring motivations or drivers of behavior.

### Aesthetic needs

Based on Maslow's beliefs, it is stated in the hierarchy humans need beautiful imagery or something new and aesthetically pleasing to continue towards Self-Actualization. Humans need to refresh themselves in the presence and beauty of nature while carefully absorbing and observing their surroundings to extract the beauty the world has to offer.



## Criticisms

While Maslow's theory was regarded as an improvement over previous theories of [personality](#) and [motivation](#), it had its detractors. For example, in their extensive review of research which is dependent on Maslow's theory, Wahba and Bridgwell[5] found little evidence for the ranking of needs Maslow described, or even for the existence of a definite hierarchy at all. A study conducted in 2002 forwards this thought, claiming: "the hierarchy of needs is nothing more than a fool's daydream; there is no possible way to classify ever-changing needs as society changes"[6]. Chilean economist and philosopher [Manfred Max Neef](#) has also argued [fundamental human needs](#) are non-hierarchical, and are [ontologically](#) universal and invariant in nature - part of the condition of being human; [poverty](#), he argues, is the result of any one of these needs being frustrated, denied or unfulfilled.

Frederick Irving Herzberg (1923 - 2000) was a noted [psychologist](#) who became one of the most influential names in business management. He is most famous for introducing [job enrichment](#) and the [Motivator-Hygiene theory](#).

## Herzberg Motivation Theory

Herzberg proposed the Motivation-Hygiene Theory, also known as the [Two factor theory](#) (1959) of job satisfaction. According to his theory, people are influenced by two factors:

- ⌚ Satisfaction, which is primarily the result of the *motivator factors*. These factors help increase satisfaction but have little effect on dissatisfaction.
- ⌚ Dissatisfaction is primarily the result of [hygiene factors](#). These factors, if absent or inadequate, cause dissatisfaction, but their presence has little effect on long-term satisfaction

### Motivator Factors

- ⌚ Achievement
- ⌚ Recognition
- ⌚ Work Itself
- ⌚ Responsibility
- ⌚ Promotion
- ⌚ Growth

### Hygiene Factors

- ⌚ Pay and Benefits
- ⌚ Company Policy and Administration
- ⌚ Relationships with co-workers
- ⌚ Physical Environment
- ⌚ Supervision
- ⌚ Status
- ⌚ Job Security

## Provident Fund Act

Provident Fund Act 1952

12% from Employee &

12% from employer – In this 12% for pension scheme (Pension Scheme Act 1995) it is 8.33% & employee 3.67%

Admin Charges 1.10% + Employee Deposit Linked Insurance Scheme (EDLI) (PF Act 1976) + 0.50% and Admin Charges +.01%

### Statutory Forms

#### Provident Fund:-

- ⌚Form 5: Employees qualifying for PF for first time (Month Wise)
- ⌚Form 10 : Employees leaving the service (Month Wise)
- ⌚Form 12A: Statement of contribution (Monthly)
- ⌚Form 3A: Contribution card for specific currency period (Employee wise)
- ⌚Form 6A: Annual Statement of contribution (Company Wise)
- ⌚Declaration: By the employee
- ⌚Form 2: Nomination and Declaration
- ⌚Form 19: To be used by a major member of employees
- ⌚Form 13: PF Transfer
- ⌚Form 10C: Claiming withdrawal Benefit/Scheme certificate

## Employee State Insurance Scheme

SI - ESI Act 1948

6.50 – Employee – 4.73 ; Employer – 1.77

Workers, covered under the ESI Act, are required to pay contribution towards the scheme on a monthly basis contribution period means a six-month time span from 1 April to 30 October and 1

November to 31 March. Thus, in a financial year there are two contribution periods of six months duration. Cash benefits under the scheme are generally linked with contribution paid. The benefit period starts their months after the closure of a contribution period,

1 April to 30 September 1 January to 30 June of the following year

1 October to 31 march 18 July to 31 December

Contribution period                      corresponding benefit period

1 April to 30 September

1 January to 30 June of the following year

1 October to 31 march

18 July to 31 December

Medical Benefits-

Complete medical care for the employee and family members are available from day one of entering into insurable employment.

Old Age Medical Care-

If a worker remains covered under the scheme for five years immediately before his retirement, he and his spouse is entitled to medical care from ESI Institutions on payment of rupees 120/ year. This facility is also available to those workers who leave the organisation because of permanent disability.

Sickness Benefits (Cash)-

If a worker falls sick and needs absence from work, he is provided sickness benefit in cash equivalent to 60% of his wage for the period of absence, as certified by an authorised medical officer. This benefit is provided, subject to his paid contribution for at least 78 days in a contribution period of 6

months.

Provision for women workers in pregnancy-

Maternity benefit in cash equivalent to full wage of 12 weeks in case of confinement and 6 weeks in case of miscarriage is provided. This is extendable by further one month in case of sickness arising out of pregnancy. To avail this benefit the insured woman should have paid contribution for atleast 70 days in preceding two contribution periods of one year.

Disablement Benefit (Cash)-

In case of an accident while on duty, the insured worker suffering from any temporary disablement are provided temporary disablement benefit@ about 75% of wage till the injury heals. If it turns to be a permanent disability then it is paid in cash depending upon the extent of loss of their earning capacity. This benefit is available from day one of the employment

Dependants Benefit-

If a worker dies due to any accident/occupational disease sustained in the course of his employment, his/her dependents are provided dependents benefit @ about 75% of wages of the deceased worker.

### **Difference between Wage and salary**

Wage is a compensation workers receive for their labor. Wage is paid on hourly basis

Salary is a form of periodic payment from employer to employee

### **Human Resource Management**

1. Planning & Budgeting
2. Selection / Recruiting
3. Training and Development

4. Performance Evaluation and Management
5. Retention / Redundancy
6. Industrial and Employee Relations
7. Record keeping of all personal data.
8. Compensation, pensions, bonuses etc in liaison with Payroll
9. Confidential advice to internal 'customers' in relation to problems at work &
10. Career development /Organization Development (OD)

## **Workforce planning**

Strategic Workforce Planning involves analyzing and forecasting the talent that companies need to execute their business strategy, proactively rather than reactively, it is a critical strategic activity, enabling the organization to identify, develop and sustain the workforce skills it needs to successfully accomplish its strategic intent whilst balancing career and lifestyle goals of its employees.

Strategic Workforce Planning is a relatively new management process that is being used increasingly to help control [labour](#) costs, assess talent needs, make informed business decisions, and assess talent market risks as part of overall enterprise [risk management](#). Strategic workforce planning is aimed at helping companies make sure they have the right people in the right place at the right time and at the right price

Through Strategic Workforce Planning organizations gain insight into what people the organization will need, and what people will be available to meet those needs. In creating this understanding of the gaps between an organization's demand and the available workforce supply, organizations will be able to create and target programmes, approaches and develop strategies to close the gaps.

**Recruitment** (sometimes separated into attraction and selection)

**Recruitment** refers to the process of sourcing, screening, and selecting people for a [job](#) or vacancy within

🕒 [Induction](#) and [Orientation](#)

## **[Skills management](#)**

**Skills Management** is the practice of understanding, developing and deploying people and their [skills](#). Well-implemented skills management should identify the skills that job roles require, the skills of individual employees, and any gap between the two.

## **[Training and development](#)**

In [organizational development](#), the related field of training and development (T & D) deals with the design and delivery of [learning](#) to improve performance, skills, or knowledge within organizations.

In some organizations the term Learning and Development is used instead of [Training](#) and Development in order to emphasise the importance of learning for the individual and the organization. In other organizations, the term Human Resource Development is used.

Organization development is the process through which an organization develops the internal capacity to most efficiently and effectively provide its mission work and to sustain itself over the long term. This definition highlights the explicit connection between organizational development work and the achievement of organizational mission. This connection is the rationale for doing OD work. **Organization development**, according to [Richard Beckhard](#), is defined as: a planned effort, organization-wide, managed from the top, to increase organization effectiveness and health, through planned interventions in the organization's 'processes', using [behavioural science](#) knowledge.

According to [Warren Bennis](#), organization development (OD) is a complex strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets, and challenges.

## **Personnel administration**

**Compensation in [wage](#) or [salary](#)**

## **[Time management](#)**

## **Travel management (sometimes assigned to accounting rather than HRM)**

## **Payroll (sometimes assigned to accounting rather than HRM)**

**payroll** is the sum of all [financial](#) records of [salaries](#), [wages](#), bonuses, and [deductions](#)

## **Employee benefits administration**

**Employee benefits** and (especially in [British English](#)) benefits in kind (also called fringe benefits, perquisites, perqs or perks) are various non-wage compensations provided to [employees](#) in addition to their normal [wages](#) or [salaries](#). Where an employee exchanges (cash) wages for some other form of benefit, this is generally referred to as a 'salary sacrifice' arrangement. In most countries, most kinds of employee benefits are taxable to at least some degree.

Fringe benefits can include, but are not limited to: (employer-provided or employer-paid) housing, group insurance ([health](#), [dental](#), [life](#) etc.), [disability income](#) protection, [retirement benefits](#), [daycare](#), [tuition](#) reimbursement, [sick leave](#), [vacation](#) (paid and non-paid), [social security](#), [profit sharing](#), funding of education, and other specialized benefits.

The purpose of the benefits is to increase the economic security of employees.

The term perqs or perks is often used colloquially to refer to those benefits of a more discretionary nature. Often, perks are given to employees who are doing notably well and/or have seniority. Common perks are [company cars](#), [hotel](#) stays, free refreshments, leisure activities on work time ([golf](#), etc.), [stationery](#), [allowances](#) for [lunch](#), and—when multiple choices exist—first choice of such things as job assignments and vacation scheduling. They may also be given first chance at job promotions when vacancies exist.

## **Personnel cost planning**

## **Performance appraisal**

**Performance appraisal**, also known as **employee appraisal**, is a method by which the [job performance](#) of an [employee](#) is evaluated (generally in terms of [quality](#), [quantity](#), [cost](#) and [time](#)). Performance appraisal is a part of [career development](#).

Performance appraisals are a regular review of employee performance within [organizations](#).

Generally, the aims of a scheme are:

- ⌚ Give feedback on performance to employees.
- ⌚ Identify employee [training](#) needs.
- ⌚ [Document](#) criteria used to allocate organizational [rewards](#).
- ⌚ Form a basis for personnel decisions: [salary](#) increases, [promotions](#), [disciplinary actions](#), etc.
- ⌚ Provide the opportunity for organizational diagnosis and development.
- ⌚ Facilitate communication between employee and administrator.
- ⌚ Validate selection techniques and human resource policies to meet federal [Equal Employment Opportunity](#) requirements.

A common approach to assessing performance is to use a numerical or [scalar](#) rating system whereby managers are asked to score an individual against a number of [objectives](#)/attributes. In some companies, employees receive assessments from their [manager](#), peers, subordinates and [customers](#) while also performing a self assessment. This is known as 360° appraisal.

The most popular methods that are being used as performance appraisal process are:

### **Management by objectives (MBO)**

**Management by Objectives (MBO)** is a process of agreeing upon [objectives](#) within an organization so that [management](#) and [employees](#) agree to the objectives and understand what they are in the organization.

MBO introduced the SMART criteria: Objectives for MBO must be [SMART](#) (Specific, Measurable, Achievable, Relevant, and Time-Specific).

### **360 degree appraisal**

**360-degree feedback**, also known as 'multi-rater feedback', 'multisource feedback', or 'multisource assessment', is employee development feedback that comes from all around the employee. "360" refers to the [360 degrees](#) in a circle. The feedback would come from subordinates, peers, and managers in the organizational hierarchy, as well



as self-assessment, and in some cases external sources such as customers and suppliers or other interested stakeholders. It may be contrasted with [upward feedback](#), where managers are given feedback by their direct reports, or a traditional [performance appraisal](#), where the employees are most often reviewed only by their manager.

### **Behavioral Observation Scale (BOS)**

### **Behaviorally Anchored Rating Scale (BARS)**

## **Retention Strategies**

1. Communications - Getting your people to care
2. Set Clear expectations
3. Proper rewarding
4. The quality of the supervision an employee receives is critical to employee retention. People leave managers and supervisors more often than they leave companies or jobs
5. The ability of the employee to speak his or her mind freely within the organization – feedback
6. Talent and skill utilization is another environmental factor your key employees seek in your workplace
7. The perception of fairness and equitable treatment is important in employee retention
- 8. A career-oriented, valued employee must experience growth opportunities within your organization.**
- 9. Take time to meet with new employees to learn about their talents, abilities and skills. Meet with each employee periodically.**
10. No matter what the circumstances are but **never, never, ever threaten an employee's job or income**

## **Customer Acquisition and Talent Acquisition**

Recruitment is the very first step in HRM.

Recruitment is a positive action which results in receiving lots of applications for a single job. Selection is the end result of recruitment. If we follow the process of recruitment thoroughly, then we are sure to achieve the end result of "selecting the right candidate" at the right time and at the right cost.

After completing my MBA (in HR), I tried hard enough to find a job in core HRM, but I was only getting called for recruitment jobs. I had no choice other than to take up the role of recruiter with Artech Information Systems (formerly known as Softek India Pvt. Ltd).

### **Difference between Traditional Recruitment "Vanilla recruitment" and Talent Acquisition -Downloaded from cite hr**

The biggest constraint to pursuing growth anywhere is lack of talent availability.

Getting the talent and retaining them is a major challenge for all organizations today. It is almost equivalent to acquiring a customer and retaining the customer throughout. It is becoming intensely competitive.

Customer acquisition describes overall strategic process around identifying market segments, market sectors, targeting client prospects, running direct campaigns, selling and receiving the order. Talent acquisition involves all the sub processes around finding, attracting and engaging highly talented individuals into your organization.

### **How is this different from "plain vanilla" recruitment?**

Talent acquisition is part of a broader strategic approach in the quest to gain and sustain a competitive advantage. Other aspects include talent development and retention which are primarily inward facing, whilst the former is outward looking.

Traditional recruitment or "vanilla recruitment" occurs when a vacancy arises

when an individual resigns or retires or promoted. Panic sets in, if no suitable internal candidate is found. The organizations recruit under pressure. Compromised are made "under the bus syndrome"  
Talent acquisition is to get away from the "fill in the box" thinking to one that is more pro-active and much closer to building the skill sets required to achieve success.

Traditional recruitment is filling open positions.

Talent acquisition takes a long term view of not only filling positions of today, but also identify talents for future openings

These future positions may be identifiable by looking at the succession management plan or by analyzing the attrition.

In highly advanced talent acquisition process, organizations recruit today for positions that do not even exist today

### **CONSUMER PRICE INDEX (CPI)**

A **consumer price index (CPI)** is a measure of the average price of consumer goods and services purchased by households. It is one of several [price indices](#) calculated by national statistical agencies. The percent change in the CPI is a measure of [inflation](#). The CPI can be used to index (i.e., adjust for the effects of inflation) wages, salaries, [pensions](#), or regulated or contracted prices.

### **Gratuity**

PAYMENT OF GRATUITY ACT, 1972

Gratuity =  $(\text{Basic}/26 * 15) * \text{No. of years}$

15 DAYS SALARY FOR 1 YEAR

MONTH IS COMPRISED OF 26 WORKING DAYS NOT 30 DAYS

IT MEANS 57.69 % OF MONTHLY BASIC IS PAYABLE  $(15*100/26)$

OR

0.58 MONTHS BASIC FOR 1 YEAR

OR

0.58\*5 MONTHS BASIC FOR 5 YEARS

OR

2.9 MONTHS BASIC FOR 60 MONTHS (12 X 5)

NOW 2.9 IS HOW MUCH %AGE OF 60 ?

$$2.9 \times 100 / 60 = 4.83 \%$$

HENCE GRATUITY SHOULD BE CALCULATED @ 4.83% AND NOT 4.16%

### **Bonus Act**

PAYMENT OF BONUS ACT, 1965

**The minimum bonus which an employer is required to pay even if he suffers losses during the accounting year or there is no allocable surplus is 8.33 % of the salary during the accounting year**

Every employee receiving salary or wages upto RS. 3,500 p.m. and engaged in any kind of work whether skilled, unskilled, managerial, supervisory etc. is entitled to bonus for every accounting year if he has worked for at least 30 working days in that year.

The bonus should be paid in cash within 8 months from the close of the accounting year

### **Minimum Wages Act**

Minimum Wages Act 1948

### **Johari window**

**Johari window divides personal awareness into 4 quadrants.**

1. Open quadrant- Known to self and known to others.
2. Blind quadrant- Known to others but not known to self
3. Hidden quadrant- Known to self but not known to others.
4. Unknown quadrant- Not known to self nor to others.

## **Provident Fund Full notes**

1. The Employees Provident Fund Scheme, 1952
2. The Employees Family Pension Scheme, 1971
3. The Employees Deposit-Linked Insurance Scheme, 1976

### **Calculations: P.F from Basic**

Employee: 12% (P.F)

Employer: 3.67% Provident Fund (A/c 1) + 8.33% Pension (A/c 10) + 1.10% Admin Charges on PF (A/c 2) + 0.50% EDLI (A/c 21) + 0.01% Admin Charges on EDLI (A/c 22)=>13.61% on basic

\* Pension (8.33% or 541/- which ever less)

### **Regular activities:**

1. Time of joining: Form 2: Employee should fill, at the time of joining, nomination & Declaration form.

Form 2, includes the following

- Name of the employee
- Parent/spouse name
- Date of Birth
- Sex
- Marital Status
- AC No
- Address
- Names, address, relation, Share for each etc

Also for changing nominee names Form 2 is used. His eligibility begins on the date of joining the firm. Submitted along with form-5.

2. Withdrawers/Dead : Form 10c (pension) & 19 PF

Form 19 is used for withdrawing PF amount. Employee and parent/spouse name, name of the establishment, Ac no, Reasons for leaving service,

Contribution for current financial year etc. Form 10 is used for pension withdrawal.

Form 19: Employee should fill, all information like Bank a/c, name, DOJ... with signature and then

Employer like present year contributions, DOR...for PF Fund – Due date: After 60 Days of Resignation)

Form 10C: Employee should fill, all information like Bank a/c, name, DOJ... with signature and

then employer like present year contributions, DOR...for Pension Due date: After 60 Days of Resignation

### 3. Transfer : Form 13

Form 13 is used for transferring an employee AC from one company to another. Both employer and employee have to specify his name, PF AC no, Position etc and submitted with a covering letter (consolidated list of employees). Photocopy of the above is kept in PF file for transfer.

4. Employee register 3A, 6

5. For advance : Form 31

6. In case of employee expired / dead :

### **Process details**

Form 10 D (For claiming benefits under Pension)

Employee should fill like Expired/late employee name, nomination name, details, Nomination Bank a/c...for monthly Pension

Form 20 (For Claiming EPF Contributions)

Employee should fill like Expired/late employee name, nomination name, details,  
Nomination Bank a/c...for withdrawal of PF Fund (Inc case of Death of a member)

Form 5 IF (For Claiming EDLI benefits, nominee will get benefit)

EDLI for death case, nominee will get benefit.

7. Form 9 (Register of employers - Application for review filed under)

### **Monthly Remittance / Challans:**

1. Challans every month before 15th (4 copies/ quadruplicate)
2. All A/c (A/c Nos-1,2,10,21&22)
3. To Bank
4. both employer & employee contribution

- Account group no eg Ma mu 1246 (state-first two alphabets /city/acc no: of the company)
  - Month
  - Total number of subscribers
  - Total wages due for each account (wages on which calculations are done)
  - Each accounts totals (consolidated amount with employer and employee share)
  - Name of the establishment and address
  - Name and signature of the depositor
  - Name of the bank, mode and date of remittance etc
- Challan is submitted to PF office along with form-12A every month.

### **Monthly returns:**

1. Form 12 A, with all information and employees list of contribution before 25th
2. With Form 5 (new joiners list) , form 10 (resigned employees list), challans copy
3. Information about last month employees, new & resigned employees & this month staff.

### **Form 5**

- Name of the establishment and address
- Month
- Code no: of the factory
- A c no:
- Name of new employees
- Fathers or Husband name in case of married women
- Date of birth

- Sex
- Date of joining the fund
- Total period of previous services as on the date of joining the fund

### **Form 10**

- Name of the establishment and address
  - Month
  - Code no: of the establishment
  - A c no:
  - Name of member who is leaving
  - Fathers or Husband name in case of married women
  - Date of leaving service
  - Reasons for leaving service
  - Signature of authorized officer and stamp of the establishment
- Cross checking the above is done with the salary statement which includes the number and name all current employees.

### **Form 12 A:**

- Name of the establishment and address
- Currency period and month (April yr to march yr)
- Statutory rate of contribution (12%)
- Group code (NA for unexampled establishment. Establishment having more than 1000 have to keep a PF trust and have to specify the group code)
- Total wages due for each account (wages on which calculations are done)
- Amount of contribution and amount remitted (consolidated amount with employer and employee share)
- Date of remittance
- Total number of subscribers for the current month.
- Name and address of the [bank](#) in which the amount is remitted.
- Details of subscribers for E.P.F, PF, EDLI
- No of subscribers as per last month
- No of new subscribers (vide Form 5)
- No of subscribers left service (vide Form 10)
- Total no of subscribers (After adding and subtracting the new and retired employees with, the number should tally with monthly list of employees)

Cross checking the above is done with the salary statement.

### **Annul returns:**

1. Form 3 A (Individual Computation sheet)



2. Form 6 A (Consolidated Annual Contribution Statement)
3. before 30th April every year

### **Form 6A:**

- Currency period and month (April yr to march yr)
- Name of the establishment and address
- Code no: of the establishment
- No: of member voluntary contributing at a higher rate
- AC No of each employee followed by their name, annual salary, annual contribution, employer contribution, refund of advance, rate of voluntary contribution.
- This grand total should tally with all form 12 A and challans totals.

### **Form 3A: Register**

This form is filled up for each employee stating his each monthly salary, contribution, Employer share, Refund of advance, No of days/period of non contributing service, if any (eg. unauthorised leave). If the employee is resigned during that financial year then the date of leaving service and reasons for leaving service should be specified in this form. Using Form 3A, form 6 A is filled up and crosschecking is done with all challans and 12 A forms.

\* Muster Roll \* Wage Register \* Inspection Book \* [Cash](#) Book, Voucher & Ledger \* PF work sheet

### **Forms:**

Form 3: Contribution Cards - Individual Computation sheet contains all PF amts month-wise.

Form 3 A: Contribution Cards – Form

Form 4: Contribution card for employees other than monthly paid employees - Form

Form 5 A: Return of Ownership to be sent to the Regional Commissioner - Form

Form 6: Return of the Contribution Cards sent to the Commissioner on the expiry of the period of currency – Form

Form 6 A: Consolidated Annual Contribution Statement - Consolidated Computation Sheet, contains total employees list, there total half yearly information. Form 6 is

top sheet  
and 6A is attachments.  
Form 9: Register of employees - Application for review filed under.

Register 3: Individual Computation, there Gross salary, Basic, DA, attendance, PF, Pension  
Information maintains month-wise. Form 3 is top sheet and 3A is attachments.

## **ESI: Employees' State Insurance Act, 1948**

### **Calculations: ESI from Gross**

Employee: 1.75%

Employer: 4.75%

Coverage: All the [employees](#) Drawing wages up to Rs.10, 000/- per month engaged either directly or thru' contractor.

### **Regular activities:**

1. Time of joining/at any time:

Form 01 : Employer Registration Form

Form 1 : Employee should fill, at the time of joining, Declaration form with postcard size

Photograph – due date with in 10 days after the employees joins.

Form 1 A : Family Declaration Form, family details

Form 1 B : Changes in family declamation form, like family members...

Form 3 : Return of declaration form (Covering Letter) 3A continuation sheet/card,

Employer should fill. Male and female separately

Form 37 : Employer should fill Certificate of Re-Employment / Continuing employment. With Contribution period begin and end dates.

Form 105 : Employer should fill, Certificate of Entitlement.

Form 72 : Employee should fill, Application /form for changes in particular of [insured](#)

Person. Like local office, Dispensary/Address changes.

Register 7 : Individual Computation, there Gross salary, Days, ESI amt.  
Information maintains month-wise.

Cards: Temporary & Permanent Cards.

### **Monthly Remittance / Challans:**

1. Challans every month before 21st (3 copies/ quadruplicate)
2. Submit to [Bank](#)
3. Both employer & employee contribution
4. Cheq details.

### **Half year returns:**

Contribution period:

1st April to 30th September.

1st October to 31st March

\*\*\*42 days after closing Contn. Period (before Nov 11th. And next before May 12th)

1. Form 7 (Register of Employees)
2. Form 6A: Consolidated Computation Sheet, contains total employees list, there total half Yearly Information. Form 6 is top sheet and 6A is attachments. (Statement of Advance Payment of Contributions)
2. In Oct & April
3. With all paid challans

### **Need to maintain:**

- \* Muster Roll \* Wage Register \* Inspection Book \* Accident Register \* [Cash](#) Books, Vouchers & Ledgers \* Paid Challans, RDF and Declarations
- \* Returns copies