

INSIDE THIS ISSUE

PG. 2 & 3

- Who is Customer for HR
- Steps - providing Customer Service/ Qualities of Customer service

PG. 4

Customer Services – What is your type – Reactive/Proactive

PG. 5, 6

- Contract Act – Non Compete Clause – Valid or Void
- Case citations

To Register for Full Day Workshop on
4 LABOUR CODES &
3 Tamil Nadu Rules
in Chennai – on 3rd February 2024

<https://forms.gle/AsuwfnRA9cuV8SJx9>

Disclaimer

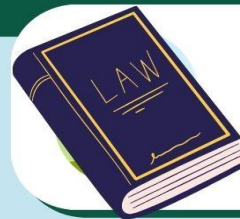
The views, opinions and information provided in this Newsletter are in no way to be considered as legal or consultative advice. We do not make any warranties on the information published.(Anandan Subramaniam – Author)

Much anticipated Union Budget 2024 (Interim) is likely to be presented at 11 am on 1st February (Thursday), 2024

Every industry is expecting a TAX RELIEF, including the Common Public. Expectations are also from the Industries and Trade Unions, that there will be a mention of Notification of Labour Codes, which is long pending.....

4 Labour Codes & TN Rules (Draft)

Delay made us realize how badly we want it.



The Delay was an Opportunity to equip yourself ... Are you Prepared??

IMPACT ANALYSIS

- DISSECTION OF PROVISIONS OF 4 LABOUR CODES
- DEEP DIVE INTO TAMILNADU RULES
- EMPLOYER'S PREPAREDNESS FOR LIABILITIES
- A COMPARISON OF CURRENT AND NEW PROVISIONS
- REAP THE BENEFITS OF NEW CODES



IMPACT SNAPSHOT - TN Rules

Wages

Code on Wages (Tamil Nadu) Rules, 2022

IR

Code – Industrial Relations (Tamil Nadu) Rules, 2022

OSH

Code – Occupational Safety, Health and Working Conditions (Tamil Nadu) Rules, 2022

Register Today

Full Day Workshop
03-February-2024
10.00 am to 5.00 pm
Hotel Grand Kalyan,
Kilambakkam

**Customer Services
Aka
Human Resources Services**

HIGHLY SATISFIED	<input checked="" type="checkbox"/>
PROVISIONALLY CONTENTED	<input checked="" type="checkbox"/>
GRUDGED	<input checked="" type="checkbox"/>
ESCALATION MOOD	<input checked="" type="checkbox"/>

Who is a Customer for HR?

A Customer is one who receives my Output.... It may be a Product or Service.

- ☞ I get my money because they (Customer) Pay me for such Output.
- ☞ I am Performing to give an Output, because of them (Customer).
- ☞ I may be an Individual or part of the Group, which produces or provide services, which is received by the Customer.
- ☞ A Customer can be either an Internal Customer or an External Customer.

In an Organization for Human Resources Personnel (and may be for Accounts and Finance Personnel also), the customers or the Workers/Employees, working in. For such individuals, the Human Resources must serve.

In keeping such Customer delighted, there are some differences, which is not the same while attending to an External Customer.

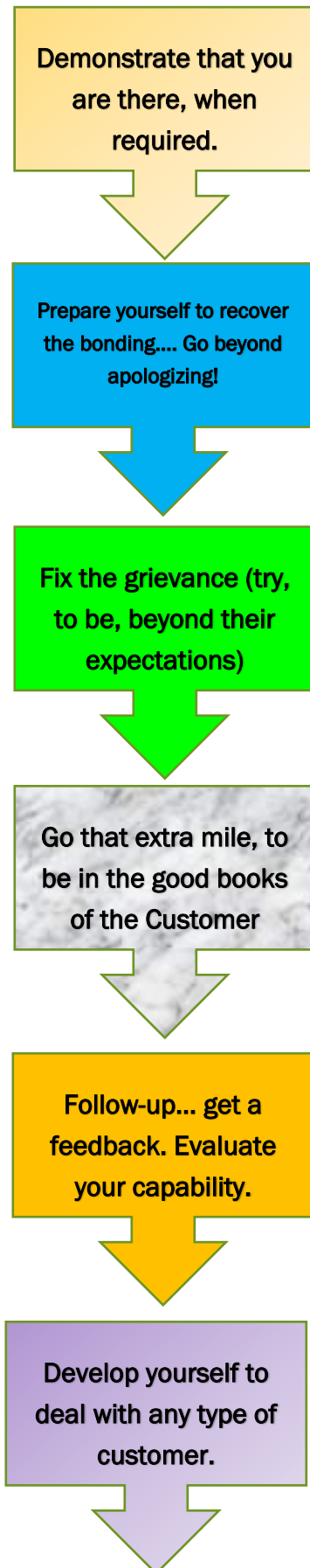
What Human Resources must do to keep the Internal Customer delighted?

1. The Expectations are different and extreme.
2. They expect responses, to take care of their employment and personal needs (so that they can perform and deliver the expected output)
3. A bad customer service will reach the other workers in a shorter period than expected and create unexpected results.
4. Unlike an external customer, retaining or gaining confidence is challenging with internal customer.
5. When an external customer has bad customer experience, the emotions may end with the persons to whom he/she is explaining. Where if it is with Internal Customer, it reaches to the fellow workers in multi dimensions.
6. Honesty is the best Customer metrics which is required while serving the Internal Customer.
7. Courtesy or Friendliness is also expected, secondarily.
8. Timeliness is the next expected service.

The major expectations of the internal customers are

- ☞ Fulfilment of the agreed employment conditions,
- ☞ immediate resolutions to workplace challenges and
- ☞ other facilities & amenities available to similar workforce in the Industry.

Steps in providing an impeccable Customer Service (by HR)



QUALITIES OF CUSTOMER SERVICE

- ☞ The Primary quality of Customer Services is "Not being Negative", one needs to handle the Customer.... i.e., Customer does not want to hear the word "NO".
- ☞ While handling a customer, one should be a LISTENER.... Even if the Customer is exhibiting his/her foolishness, you must Listen thoroughly and you have to RESPOND appropriately. No Customer expects a "Reply".
- ☞ Many a Times a customer would like to agitate the entire system to get his/her expectation met. How you handle such Customer without any excitement, matters.
- ☞ At times, the grievance may be related to Business or Personal. You should be shrewd enough to balance it and manage the situation.

WHAT IS YOUR TYPE REACTIVE OR PROACTIVE?

Reactive Human Resources Professional

1. I use negative acknowledgements.
 - a. I will try.....
 - b. Unfortunately.....
 - c. Sadly.....
 - d. We can't do that.....
 - e. No Problem.....
 - f. It is a policy decision.....
 - g. But....
 - h. The Problem is.....
2. I commence only when I receive a complaint/grievance
3. I look for readily available solution or try to avoid the situation
4. I pretend to be Rude, so that the internal customer moves away
5. I don't mind even if I under-deliver
6. I look for moment which make me avoid or push the activity to others

Proactive Human Resource Professional

1. Ensure that I am a Partner to end the grievances of the customer
2. I understand or make an honest attempt to understand the grievance of the customer
3. I have positive line of attack (to solve the grievance)
 - a. I Acknowledge & Assure
 - b. I Appreciate the customer in bringing the grievance / complaint
 - c. I Affirm an appropriate resolve
4. I expressly perform that my endeavor is to serve the (internal) Customer
5. I pay attention to customer's perspective
6. I am determined that through my service, you (internal customer) are delighted and you perform to deliver the product/service, to the expected level
7. I develop Trust amongst the (internal) customer, that I am the right associate between his grievance (expectation) and solution provider (Employer Management)
8. I believe that serving the (internal) customer can be achieved only through 85% of attitude and 15% of actual solution

I respect each grievance/complaint from the internal customer is an opportunity for me (or my department) to make him/her delight and provide the Service Excellence

What is Section 27 of Indian Contracts Act, 1872?

Enforceability Of 'Non-Compete Clause' Under an Employment Agreement"

"every agreement by which anyone is restrained from exercising a lawful profession, trade or business of any kind, is to that extent void"

Almost all Employers, use the following terms/terminology in their Offer / Appointment letter:

- Restriction on starting a competing business within stipulated period
- Restriction on working with organizations in the specific industry
- Restriction on soliciting the clients of the employer
- Restriction and in majority of cases, a complete prohibition on disclosure the trade secrets or confidential information

This will be mentioned in the Non-Compete clause and the employee is required to strictly follow, immediately or within such period of separation.

Employers take these steps to protect their Brand, Trade Secrets, Sensitive Processes, Technological advancement in their business etc.

Is it Valid or Void under the provisions of Indian Law?

1. The Supreme Court of India, while dealing with such a contractual issue in *Superintendence Company of India (P) Ltd. v. Sh. Krishan Murgai*, raised the question that whether a post-service restrictive covenant would fall within the mischief of section 27 of the Contract Act.

The court held that a contract, which had for its object a restraint of trade, was prima facie **void**.

2. *"to obstruct an employee who has left service from obtaining gainful employment elsewhere is not fair or proper"*

VFS Global Services Private Limited v. Mr. Suprit Roy – Hon'ble Bombay High Court

3. In *Percept D'Mark (India) Pvt. Ltd. v. Zaheer Khan and Anr.* the Hon'ble Apex Court observed the following throwing some light on the legality of such clauses.

"Under Section 27 of the Contract Act (a) a restrictive covenant extending beyond the term of the contract is void and not enforceable. (b) The doctrine of restraint of trade does not apply during the continuance of the contract for employment and it applied only when the contract comes to an end. (c) As held by this Court in Gujarat Bottling v. Coca Cola (supra), this doctrine is not confined only to contracts of employment but is also applicable to all other contracts."

4. The Hon'ble Delhi High Court in *Foods Ltd. and Others v. Bharat Coca-cola Holdings Pvt. Ltd. & others* observed,

"It is well settled that such post termination restraint, under Indian Law, is in violation of Section 27 of the Contract Act. Such contracts are unenforceable, void and against the public policy. What is prohibited by law cannot be permitted by Court's injunction."

5. Hon'ble Gujarat High Court in *Sandhya Organic Chemicals P. Ltd. vs United Phosphorous Ltd. & Anr.*

*In the said case, the Supreme Court has also ruled that under Section 27 of the Contract Act. a service covenant extended beyond the termination of the service is void. In view of this settled position of law. is it open to the plaintiff to seek injunction against the defendants, especially when defendant, No. 3 was not in the service with the plaintiff? In other words, can defendant No. 3 be restrained for all times to come from using his Knowledge and experience which he gained during the course of his employment either with the plaintiff or for that matter with any other employer? **The answer is certainly in the negative.***

6. The Hon'ble Supreme Court in *Niranjan Shankar Golikari v. The Century Spinning and Mfg. Co. Ltd.*, clarified that not all non-compete clause effective after the termination of the employment agreement are prima facie prohibited and held, *"a negative covenant that the employee would not engage himself in a trade or business or would not get himself employed by any other master for whom he would perform similar or substantially similar duties is not therefore a restraint of trade unless the contract as aforesaid is unconscionable or excessively harsh or unreasonable or one-sided"*.

EXCEPTION

Saving of agreement not to carry on business of which goodwill is sold — One who sells the goodwill of a business may agree with the buyer to refrain from carrying on a similar business, within specified local limits, so long as the buyer, or any person deriving title to the goodwill from him, carries on a like business therein, provided that such limits appear to the Court reasonable, regard being had to the nature of the business

FULL DAY WORKSHOP

SOCIAL SECURITY BENEFITS

Applicability, Definitions, Conformation,
Benefits to Employees / Contractors

Challenges & Solutions

Latest Updates | Case Studies

A DEEP DIVE

~~9th~~ **16th February 2024, Friday - Chennai**
(date changed as requested by many HR's)

✓ EPF
✓ EDLI
✓ EPS

✓ Maternity

✓ Gratuity

✓ LWF

✓ Employee
Compensation

✓ Statutory
Bonus

✓ ESI

Register @: <https://forms.gle/bJw8GpbK43gTSw519>

 **HR Vidyalyaya**
Corporate Services LLP


Anandan Subramaniam
நான் வீழ்வேனென்று நினைத்தாயோ?