

Concepts

Foundations of Industrial Peace: ILO - its functions and role in labour movement – Welfare and Social Security - Rationale and Schemes, Labour under the Constitution, Avenues of Workers Participation in Management, Worker's Education , Grievance Redressal for individual employee.

LABOUR WELFARE

Meaning & Definition

According to Oxford Dictionary defines labour welfare as “efforts to make life worth living for workmen”. These efforts have their origin either in some statute formed by the state or in some local custom or in a collective agreement or in the employer's own initiative.

Objectives

- ❖ To give expression to philanthropic & paternalistic feelings
- ❖ To win over employees' loyalty and increase their morale.
- ❖ To combat trade unionism and socialist ideas
- ❖ To build up stable labour force, to reduce labour turnover and absenteeism
- ❖ To develop efficiency & productivity among workers
- ❖ To save oneself from heavy taxes on surplus profits
- ❖ To earn goodwill & enhance public image
- ❖ To reduce the threat of further government intervention
- ❖ To make recruitment more effective.

Principles of Labour Welfare Services

1. The services should satisfy real needs of the workers
2. The services should be such as can be handled by cafeteria approach (mix of benefits)
3. The services should not distinguish between managers and workers.
4. The employee should not assume a benevolent posture
5. The management should ensure co-operation and active participation of unions and workers is formulating & implementing the service.
6. The cost of the service should be calculated and its financing established on a sound basis.
7. There should be periodical assessment or evaluation of the services and necessary timely improvement on the basis of feedback.

Types of Labour Welfare Sources

Intramural : The services are those which are provided within the factory for example – health, safety etc.

Extramural: The services are those which are provided outside the factory for instance – education, housing etc.

Three important Welfare Services

- I. Safety Service: Prevention of Accidents
- II. Health Services
- III. Counseling and Mentoring

I. Safety Service : Prevention Of Accidents

The word accident means some unlooked for mishap or untoward event, which is not expected or designed by the injured employee himself even though there may be negligence on his part.

Causes of Accidents

A. Technical Factors

All engineering deficiencies related to plant, tools, material & general work environment.

1. Improper lighting
2. Inadequate ventilation
3. Poor machine guarding
4. Careless housekeeping etc.,

B. Human Factors

All unsafe acts on the part of employees

1. Employee emotionally upset
2. Worried or disturbed
3. Young and new employees
4. Insufficient attention
5. Fatigue
6. Intake of liquor, drugs etc.,

Consequences of Accidents

1. Injured employees

- Physical & mental pain
- Loss of earnings
- Expenses
- Time
- Delay in claiming compensation etc.,

2. Employers

- Work stoppage
- damage to tools and equipment
- spoilage of materials
- payment of compensation
- delay in dispatch

-requisition will be questionable etc.,

3. Work Group

- Uneasy
- sense of insecurity
- demoralisation
- industrial disputes etc.,

Essentials of a Safety Service

1. Appointment of safety officer
2. Support by line management

3. Elimination of Hazards

- Job Analysis in safety
- placement
- personal protective equipment
- safeguarding machinery
- materials handling
- Hand tools
- maintenance
- layout & design
- housekeeping

4. Safety Training, Education & Publicity

5. Safety Inspectors

- Periodical safety audit
- Random spot check
- Daily check
- Regular inspection

6. Investigation of Accidents

7. Measurement of safety

a. Frequency Rate = $\frac{\text{No. of lost-time accident}}{\text{No. of man - hrs. worked}} \times 1000000$

b. Severity Rate = $\frac{\text{No. of days lost}}{\text{No. of man - hr worked}} \times 1000000$

New Techniques in Accident Prevention

- a) Damage Control
- b) Human engineering or ergonomics and
- c) Systems safety

II. Health Services

- ❖ General Health
 - Associated to working environment
 - Associated to community
- ❖ Industrial Health Services
 - Preventive
 - Curative

III Counseling & Mentoring

Counseling is a discussion of the problem with the employee to help him cope with it better.

Advantages

1. It improves both upward & downward communication
2. It helps the employee in finding release of emotional tension
3. It clarifies employee's thinking
4. It develops courage and confidence in the employee.

MENTORING

Mentoring is more than counselor – counselee relationship under mentoring a young person is assigned to a period called the mentor for emotional support and guidance. The mentor is always a very senior person in the organisation both in position and age is selected on the basis of his interest and ability to provide emotional support.

Process of mentoring

1. Communicating
2. Empowering
3. Helping

LABOUR WELFARE IN INDIA

Regulated by the Factories Act, 1948. It deals about:

- Appointment of a labour welfare officer
- The health of workers
- The safety of workers
- The welfare of workers

a. Appointment of Labour Welfare Officer

Sec.49 of the Factories Act, 1948 provides that in every factory wherein the employer ordinarily employs 500 or more workers shall appoint at least one welfare officer.

Duties of a Labour Welfare officer

- i) Supervision
- ii) Counseling workers
- iii) Advising Management
- iv) Establishing liaison with workers.
- v) Establishing liaison with management
- vi) Establishing liaison with outside
- vii) Suggesting measures for improving productivity & promoting harmonious industrial relation.

Functions of Welfare Officer

- Labour welfare
- Labour Administration
- Labour relations.

b. Health of Workers

Chapter III of the Factories Act, 1948 has given the following as health provisions for the workers working under the factories;

- Cleanliness
- Disposal of wastes and effluents
- Ventilation & temperature
- Freedom from dust and fume
- Artificial humidification
- Prevention of over crowding
- Lighting
- Drinking water
- Latrines and urinals
- Spittoons

c. Safety of workers

Safety provisions are made in chapter IV of the factories act, 1948, as below:

- Fencing of machinery
- Cutting power devices
- Construction of strong hoists and lifts
- Maintenance of floors & stairs
- Adherence to separate weight standards of loads to be carried by men, women and children
- Suitable precautions against excessive lights, fumes, fire and gases
- Safety building & machinery
- Prohibition for a child or as adolescent to work on or near machinery in motion
- Appointment of safety officers

d. Welfare of workers

Chapter V of the factories act, contains provisions about the welfare of workers. These are as follows;

1. Washing facility
2. Drying and storing facility
3. Sitting arrangement
4. First-aid box
5. Canteen
6. Rest room
7. Crèches
8. Welfare officers

Machinery connected with Labour Welfare Work

1. Chief inspector of factories
2. Directorate general factory advice service and labour institute
 - Located at Mumbai
 - Assisting the Union Ministry of Labour
3. National Safety Council

Set up on 4th March, 1966 in Mumbai by Union Ministry of Labour & Rehabilitation, with the objective of generating, developing and sustaining a movement of safety awareness at the National level.
4. Director General of Mines Safety
 - Enforced by the Mines Act, 1952

Drawbacks of Welfare Services

1. At many places crèches and canteens don't follow the prescribed standards
2. At present, most of the factories don't have any well –defined safety policy
3. Inspectorates in India are in most cases ill equipped & inadequately staffed.
4. Labour welfare officer work under pressure of management.

Major Recommendations of the second NCL

Welfare & working conditions

Occupational Safety

- Occupational Safety Act
- Setting up of an occupational safety committee
- Formulation of safety policy by every organisation

SOCIAL SECURITY

Meaning

The connotation of the term 'Social Security' varies from country to country with different political ideologies.

In socialist's countries, the avowed goal is complete protection to every citizen from the cradle to the grave.

In other nations with less regimented economies, a measure of protection is afforded to all the needy citizens by means of schemes evolved by democratic processes consistent with resources of the state.

According to the social security, (Minimum standards) convention (No.102) adopted by the ILO in 1952, following are the nine components of social security;

- Medical care
- Sickness benefit
- Unemployment benefit
- Old-age
- Employment injury benefit
- Family benefit
- Maternity benefit
- Invalidity benefit
- Survivor's benefit

Types of Social Security Schemes

a) Social Assistance

Under which the state finances the entire cost of the facilities and benefits provided. Here, the benefits are paid after testing the financial position of the beneficiary.

b) Social Insurance

Under which the state organizes the facilities financed by contributions from both the workers and with or without a subsidy from the state. Here, benefits are paid based on the contribution record of the beneficiary without testing his means.

a) Social Assistance – important schemes are;

- i) Antyodya Anna Yojana – Rs. 2 per kg wheat & Rs.3 per kg rice
- ii) Anna Purna Yojana – old age people 10 kg free

- iii) Indira Awas Yojana – free houses for people below poverty
- iv) Supplementary Nutrition programme
- v) Mid day meal
- vi) Prime Minister Rojgar, Yojana, Swarnajayanti Shahri Rojgar Yojana, Jawahar Gram Samridhhi Yogana aim at generating employment

b) Social Insurance

- i) The workmen's compensation act, 1923.
- ii) The employees' state insurance act, 1948
- iii) The employees' provident funds and miscellaneous provisions act, 1952
- iv) The Maternity Benefit Act, 1961
- v) The payment of Gratuity Act, 1972 &
- vi) The Industrial Disputes Act, 1947.

1. The workmen's Compensation Act, 1923

a) Coverage

This act covers all workers employed in the establishment specified in schedule II of the Act.

b) Administration

The act is administered by the state government, which appoints commissioners for this purpose of the act.

c) Benefits

Under the act, compensation is payable by the employer to a workman for all personal injuries caused to him by accident arising out of & in course of his employment which disable him for more than 3 days

- (i) In case of Death:
- (ii) In case of permanent total disablement:
- (iii) In case of permanent partial disablement:

Compensation payable as specified in the loss of earning capacity in part II of schedule I in this case.

d) Sources of funds

All compensation under the Act is payable by the employer, who may insure against the liability with a private insurance company.

2. The Employees' State Insurance Act, 1948

a. Coverage

This act covers all workers whose wages do not exceed Rs.15, 000 per month.

b. Administration

This act is administered by the ESI corporation an autonomous body consisting of representatives of the central and state government employers, employees, medical prof. and parliament and its assisted by medical benefit council and standing committee.

c. Benefits

1. Medical Benefit

An insured person or a member of his family who requires medical treatment is entitled to receive medical benefit free of charge.

2. Sickness Benefit

An insured person when he is sick is also entitled to get sickness benefit at the standard benefit rate corresponding to his average daily wage.

3. Maternity Benefit

An insured women is entitled to receive maternity benefit for all days on which she does not work for remuneration during a period of 12 weeks of which not more than 6 weeks shall precede the expected date of confinement.

4. Disablement Benefit

Every insured person is entitled to receive disablement benefit for employment injury.

Please refer workmen's compensation Act, 1923

5. Dependent Benefit

If an insured person meets with an accident in the course of his employment and dies as a result thereof, his dependents gets this benefits according to the provisions.

6. Funeral Benefit

The eldest surviving member of the family of an insured person who has died is entitled to receive payment for the expenditure incurred on funeral. However, this amount cannot exceed Rs. 3,000. This should be claimed within 3 months.

d. Sources of funds

- Employer's contribution – 4.25% of the wage bill
- Employees' contribution – 1.75% of the wage bill

3. The Employees' PF & Miscellaneous provisions Act, 1952

a. Coverage

This Act applies to every establishment, which the central government notification in the official gazette in which 20 or more persons are employed. The Act does not apply to co-operative societies employing less than 50 persons and working without the aid of power.

b. Administration

Administered by a tripartite Central Board of trustees, consisting of representative of employers and employees and persons nominated by the Central and State Governments.

C. Benefits

1. Provident fund
2. Pension schemes
3. Deposit-linked insurance.

d. Sources of Funds

Employer's contribution – twice the employee's contribution

Employee's Contribution – 12%

4. The Maternity Benefit Act, 1961

a) Coverage

This Act applies to all establishments and which are not covered by the ESI Act. There is no wage limit for coverage under this Act.

b) Administration

Chief Labour Commissioner & State labour machinery enforces the Act

- c) **Benefits:** Refer ESI Act, 1948
 - d) **Sources of funds**
All the benefits are payable entirely by the employer.
- 5. The payment of Gratuity Act, 1972**
- a) **Coverage**
This Act applies to all establishments.
 - b) **Administration**
Chief Labour Commissioner & by6 the Labour Commissioner of the State.
 - c) **Benefits**
Gratuity payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years, is however, not necessary where the termination of the employment is due to death or disablement. However, the maximum gratuity should not exceed Rs. 10, 00,000. Gratuity is payable at the rate of 15 days wages based on the rate of wages last drawn by the employee for every completed year of service or part thereof in excess of six months.
 - d) **sources of funds**
 - (i) To obtain an insurance with the LIC or
 - (ii) To establish a gratuity fund
- 6. The Industrial Disputes Act, 1947**
- A) **Coverage**
The Act applies to all workmen employed in any private or government owned industry to do any category of employees
 - B) **Administration**
The Act is administered by the judicial machinery of Labour courts, Industrial Tribunals & National Tribunals set up under the Act.
 - C) **Benefits**
Workers are entitled to receive compensation in any of the cases like layoff, retrenchment, closure.
 - D) **Sources of funds:**
All the benefits are payable entirely by the employers.

WORKER PARTICIPATION IN MANAGEMENT (WPM)

Origin & Growth

The origin & growth of the WPM can be traced back to the theories of Fabian Socialists headed by Sydney Webb, who highlighted the economic & social disorders of industrially developing countries and stressed the need for unity & cooperation among the partners of production i.e., Mgt & workmen.

Definition of WPM

A system of communication & consultation either formal or informal, by which the employees of an organisation are kept informed about the affairs of the undertaking and through which they express their opinion & contribute to the management decisions.

IT CAN ALSO BE DEFINED AS

It is the mental and emotional involvement of a person in a group situation which encourages him to contribute to the goals and share responsibilities in them

Main objectives of WPM

- a. **Economic objectives**
To increase production & productivity of the workers by improving human and industrial relations.
- b. **Social Objectives**
To provide a respectable status in the society for workmen
- c. **Psychological Objective**
To make the attitudes of the workers and the employers more positive and constructive.
- d. **Ethical objective**
To develop workers' full personality and to provide opportunity for exploiting his potential to the fullest extent.

Further Objective of WPM

1. Increased productivity
2. Better understanding of rules
3. Satisfaction of social and esteem needs
4. Strengthen labour – mgt co-operation
5. Maintaining industrial peace and harmony
6. Develop social awareness and social responsibility
7. Self-management in industry
8. Harmonious industrial relation
9. Dynamic human resources
10. National, entrepreneurial and economic development
11. Democratic right to influence the managerial decisions
12. Raise workers' level of motivation and commitment
13. Cross-fertilization and speedy communication of ideas
14. Foster better cooperation between labour and management.

Factors Influencing Participation

- a. The subject –matter of participation
- b. The level of participation
- c. The personal characteristics of the individuals
- d. The extent of participation

Essential Conditions for WPM

1. Impartial and enlightened attitude on both the sides
2. Genuine faith in the system by all concerned
3. Wide publicity and healthy publicity
4. Desire for genuine participation
5. Achievable targets
6. Dynamic growth for the organisation
7. Complementary collective bargaining
8. Strong & effective trade union
9. No multiplicity of trade union and bipartite machinery
10. Peaceful environment
11. De-centralized style of working
12. Comprehensive training and development in techniques of participation
13. Growth opportunities for individuals
14. Awareness about responsibilities
15. Follow-up action
16. Two-way communication.