

Course Name: Labour Welfare and Industrial Relations

Professor Name: Prof. Dr. Abraham Cyril Issac

Department Name: School of Business

Institute Name: Indian Institute of Technology Guwahati

Week – 04

Lecture – 16

Hello learners! welcome back to the course on labor welfare and industrial relations we move to the fourth module today where we look into one of the most critical aspects of the entire course which is nothing but a labor welfare so if you have gone through the previous lectures you would understand that we have looked into the emergence of industrial relations what was the actual scenario where industrial relations flourished and And what was the requirement or need for bringing in aspects like associations, like trade unions, etc. We have dealt deeper into what trade unions are. We have understood the labor relations specifically. Now we go one step ahead.

We would like to introspect. and understand within ourselves and outside whether wherever we are working, is there a sufficient labour welfare intention? Is there a sufficient intention towards the welfare of the labour? And that's what all about today's lecture and subsequent lectures in this module. We have divided this module 4 as well as the next module into Labour Welfare Part 1, Part 2.

I'll try to introduce you to the labor welfare part, the objectives, the classifications, etc. in this lecture. And that's the agenda for today.

I'm Dr. Abraham Cyril Issac. I'm an assistant professor at the School of Business, Indian Institute of Technology, Guwahati.

So, when you look into labor welfare specifically, we have to understand what labor welfare is. Labor welfare specifically aims to reduce the negative impacts of industrial production on workers, personal, family, social life, while providing opportunities for better quality of life. So when you look into the entire understanding of labor welfare, you have to have a critical understanding on the industrial production aspect. wherever or

whatever be the means of production, the industrial production can have some negative impacts on 1. the workers personal, 2. family, 3. social life, while providing opportunities for a better quality of life. So when you look into specifically labour welfare per se, you will understand that it is going beyond the call of industrial relations specifically.

We are trying to give a good working opportunity and moreover, a good working space and moreover, a greater quality of life for the individual. So when you look into labor welfare in the context of industrial relations, This extra dimension which gives a satisfaction in a way which is maybe a good wage cannot, maybe a good working situation cannot. So this is something which brings the worker back to the working premise or the factory or whatever be the case be. So with the growth of industrialization and mechanization, this labor welfare concept has acquired a greater importance.

There is no doubt about it. The worker, maybe in industry or in agriculture, specifically cannot cope with the pace of modern life with, you know, whatever amenities we have with our whatever technological improvements that are going around us. So when you look into the worker. he needs an added stimulus to keep his body and salt together. So this is where something like labor welfare becomes critical.

Employers have also realized the specific importance of their role in providing this extra amenity. So when you are looking into this labor welfare as an extra amenities, employers... are significantly understanding the need to provide these extra amenities. So they are primarily concerned with providing the facilities, but also with the viability of enterprise. So basically, it's a balance that the employers have to act.

When you are looking into labor welfare, so labor welfare, though it has been proved to contribute to efficiency in production, you have to accept and acknowledge the fact that it is expensive. So each employer, when depending upon their priorities, the priorities of maybe investment priorities of income, enhancing the the organization or the the factory premises it gives varying degrees of importance to what is known as the labor welfare so when you are looking into some authority let's say the government it is not sure that all employers are progressive minded and they will provide the basic labor welfare so when it comes as a voluntary mechanism when it comes you know voluntary to employers

there are chances that most of the employers or at least some of them might not be open-minded or might not be in a position or might not be ready to actually provide it so this is the scenario where the government should pitch in it should have a legislation mandatory statutory legislation from time to time to bring some measures of uniformity in at least the basic amenities So when you're looking into not the high-end amenities, but at least the basic amenities throughout the factory premises, throughout the different organizations, there should be some uniformity.

And this is what is required when it comes to labor welfare. So that is the role of government in the whole site. But it is not all positive. There is a negative side. When labor welfare activity is associated with, let's say, reducing the damaging impacts of large-scale industrial system of production,

notably capitalistic in India the workers personal family and social life has to be taken into consideration so when you are looking into that there is a lot of investment a lot of money that would be shelled out for that particular cause so this again might not be seen as a negative side but rather it deals with an offering a lot of opportunities for the workers and their family to have a very good quality of life. And the moment they have a very good quality of life, people will try to, you know, be happy and come back and work on a regular basis without any glitch. Then what is the need for labor welfare? Let's start from the basics here.

So when I have already mentioned about the industrial relations part, the capital emers in one hand and the other side we have the larger workforce, the dimension or the delicate balance between them leading way to industrial relations and how associations representing each have come up. Now let's understand the need for labor welfare. The current industrial system has severe consequences. Let's acknowledge on workers' lives. Let it be including low pay, malnutrition, long hours, unsafe conditions and even lack of education and leisure.

So these are some of the aspects which we have already at least touched upon. So labour welfare actually seeks to address these issues and improve workers' overall well-being.

So when you look into the entire scheme of things, They acquire new complexes when their previous situations are improved. Let's say employees have a problem with low pay.

They have a problem with malnutrition or long hours, unsafe working conditions. People generally don't like to work in such places. Such situations actually warrant, let's say, employer intervention. And if the employer is not intervening, it will definitely... warrant the intervention of the government and that's where mandatory legislations and all come up and that is essentially underscoring the need of labour welfare.

So if you ask me, it is not one single aspect. It is not one critical aspect which we can say that this is the reason or this is the cause or the need of labour welfare. You look into a working condition. If that working condition is not safe, It is not hygienic.

There are no basic facilities allocated to you as a worker. You know, there are situations of low pay. Why the employee or the worker should come and work in the first place? Because that is not the motivation. Either extrinsic or intrinsic monetary motivation is not there.

You know, he or she might not be able to have a better life because of the low pay. So he or she will definitely try to move to a different workplace. So that is again a critical situation. When you look into consequences associated with low pay like malnutrition, lack or the ability to feed one's own family will have a critical impact on the entire mental as well as physical well-being of the family.

So this is where the need for labor welfare becomes very much critical. So all these aspects, be it lack of pay or low wages, unsafe working conditions, malnutrition, long hours of working conditions, lack of educational opportunities for the wards or leisure time or activities for the entire family, these all specifically warrant the need for labour welfare. So this is what signifies the need for labour welfare. Now let's look into this concept of labour welfare in India specifically. When you look into labor welfare in India, it's still developing.

There is no doubt about it because industrialization was pretty late in picking up here with early industrialization neglecting specifically the aspect of worker welfare. If you

look into the entire labor welfare across the globe. India was bit lagging because it did not actually look into the worker welfare. Yes, it had a tendency to address the other issues, but worker welfare was not in the actual scheme of things when labor welfare actually came up in India. Laws have been passed, no doubt about it, to regulate conditions, but more comprehensive reforms are specifically needed to effectively protect and support workers.

So let me look into some of the aspects. Let's say long hours, poor earnings. maybe unsanitary working and residential conditions or no amenities characterized labor. So these unbearable critical circumstances actually lead to a certain labor rift or conflict and led to consequently led to labor investigation and passage of many acts be it the factories act be it the mines acts etc so all these acts have come up to restrict living and working conditions and wages and give them a better mandatory

quality of life what they otherwise would actually need so amendments have also increased you know the acts ambit or maybe the scope of the acts while new acts like let's say something like the workman's compensation act or the maternity benefit act or the payment of wages act workman's compensation act maternity benefit act or maybe payment of wages act So all these acts specifically have tried to establish and enforce employers' obligations and employers' duties to their workers. So we should also acknowledge that while these acts have eased some of the employers' problems specifically, they only strive to provide the basic needs. Because I have already mentioned in my previous slide that government intervention has been often secured a basic facility, but it has not gone to a maximizing potential.

Our labor law is characterized by legalistic conceptions and, let's say, contractual perspective of work. But employers often exploit the legislation gap. So this has been the fact. They lack effective monitoring, enforcement of conditions. So I would say that India's labor laws have only touched on specific issues.

They need to be broader. So when you look into labor welfare in India, that is the present day scenario of what we see. Though there are new acts that have come up, there are

certain critical conditions that also need to be addressed. Now let's look into... One of the most critical aspects of this lecture, which is objectives of labor welfare.

You have certain critical objectives like provide social comfort, enhance productivity, improve conditions. Let's go into that deeper. The first one is provide social comforts. When you look into social comforts, it is essentially a strategy to improve workers' quality of life and sense of belonging. There is no doubt about it.

It warrants support of overall improvement of the employee's life. It also means that when you're looking into the social comfort, that there should be some provisions for financial support indirectly to the employees. If there is a dire need, then the employer should be able to or should be ready to pitch in. In contributing, in developing a sense of responsibility and belongingness among employees. So when you look into the entire objectives, the first and foremost in social comfort is a more generic.

It is more about how you can provide to the employees whereby you are able to develop a sense of belongingness as I underlined. Now, when you look into the second aspect, it is to enhance productivity. You know, attract and retain efficient, hardworking employees is critical. It is difficult, but yet it should be the way the company should work. So it has a certain ramifications like, let's say, you cannot just retain employees without improving lives of employees and make them comfortable and happy.

Improve the productivity and efficiency of employees at workplace. That is more critical. maintain and retain the existing workforce is what the entire theme of objectives of second objective of labor welfare is and the third one is obviously what we have touched upon improve conditions ensure healthy and proper working environments are there you know it could be that maybe you try to do something in terms of wages you try to do something in terms of the welfare measures but if you are not in a position to improve the working conditions of the employee at the workplace, then he or she might not be ready to actually turn up. And it essentially means that you have to provide healthy and proper working conditions and actually ensure betterment of employees and families and society as a whole.

So this is something which is very critical. We have seen when we were discussing the industry relations specifically. But again, now let's look into the types of labor welfare. Critically, there are three significant types.

One is the statutory, second is the voluntary, and third is the mutual. So, very quickly, government-mandated welfare measures that employers must provide comes under what is known as statutory. So, as the word suggests, it's a functional word, statutory, it is government-mandated. So, whatever, you know, is a product of coercive power of the government. statutory stipulations generally compel employers to implement all the welfare schemes that is coming under the mandate of government.

So the government enacts let's say rules in regard to labour welfare in order to enforce the minimum standard of health and safety of the workers and also employers have to observe the rules relating to let's say critical aspects like working conditions hours of work etc. So even certain aspects like, this is not an exhaustive list, maybe hygiene, safety, light, ventilation, sanitation, etc., etc., whatever you can think of. So, governments have increased the statutory control of the labor welfare with the statutory type of labor welfare.

The second most important aspect is voluntary. Now, welfare activities undertaken by employers or social organizations on a voluntary basis would actually contribute to what is known as voluntary. Voluntary welfare includes All those activities, all those activities which employers undertake for their workers on a voluntary basis. There are some social organizations which also typically, you know, undertake voluntary welfare work.

The third important and the most critical one, a blend of both would be mutual welfare initiatives undertaken by workers or their union specifically. So some trade unions also undertake this responsibility work. I would say responsibility of workers' welfare. You know, labor welfare is also classified under certain intramural activities and extramural activities, which we'll explain in the coming lectures. The formal, whatever it is, the former includes services provided inside the factory premises and the latter includes services and amenities outside the factory specifically.

Now, let's look into some of the examples of statutory labor welfare measures will go into each of these acts. If you have seen the code structure, some of the modules actually deal with entirely one particular act. You know, half of the module actually sometimes deal with a part of act, etc., So we have the Factory Act, we have the Mines Act, we have the Compensation Act. So these are some of the statutory measures.

When you look into voluntary labour welfare measures, we have facilities like the canteens. Something which is very crucial, you know, there might be a situation where you might not have the situation or, you know, circumstances within the family which will actually be ready to provide you with food or maybe water. pack food for you while you are working. So these types of situations or these types of circumstances actually warrant that the company promises or the factory promises essentially should have a canteen. So canteen happens to be one of the critical labor welfare measures.

The second would be recreation facilities. Every single A worker will have a certain life outside the work premises. So that would have or that would warrant a certain bit of recreation. And that is also very much critical when it comes to recreation facilities.

So are housing. You know, every single individual will be calm and composed if he's having a better housing. He or she will be half of their intentions or dreams of working in a particular firm will be directly or indirectly connected to provide housing for the family members or the near and dear ones. And if that is taken care of, at least the help is coming from the employer side. It is a great help or helping hand for them.

So these are some of the voluntary labor measures. When you are looking into the mutual labor welfare measures, you see some of the aspects which you have seen trade unions, you know, it acts as a wire media between sometimes the employer and the worker in itself. It advocates for the worker rights and benefits, etc. We have worker cooperatives or similarly worker welfare funds. So in case of any emergency, there is a possibility that these schemes could come in and help the particular worker and actually give them a critical boost.

Now let's look into some of the very good examples in India set by certain corporate houses which have looked into the labor welfare in a different angle. So as I mentioned in

my introduction video towards the class, this class is not just theoretical. I'll try to include. The practical scenario, what are the different cases, how labor welfare has emerged and what are the different, you know, biggest stakeholders in actually bringing up the labor welfare within the country. So let's look into the Tata Group.

The Tata Group are one of the pioneers in labor welfare. Their image and their working conditions are pretty famous. They are, you know, much better than most of the industry standards. They have certain community initiatives. community initiatives like literacy, youth empowerment, women's empowerment programs, etc.

So these are some of the aspects which make the Tata Group different or stand apart from other specific companies. You look into the Tata Group labor welfare measures, they have not only the community initiatives, they have certain health services. They have been corporate visionaries, one of India's largest business conglomerates. Global leader in corporate social responsibility, I can call them. They have been corporate visionaries in area of labor welfare and community welfare.

Commitment to the welfare of the community specifically has been the key area. So when you look into some of the notable activities undertaken by Tata under Tata. This initiative would be having a literacy mission, a youth citizen promotion program, which we have seen. In terms of health, we have the HIV AIDS programs and disaster relief initiatives like earthquake relief services were done. Specifically, a project towards empowerment of women was done.

And not to forget, they have a critical wing which looks into environmental conservation. So when you're looking into the sustainable practices, when you talk about sustainable practices, Tata actually embodies this with their environmental conservation scheme. So this is part of their labor welfare initiatives. Labor welfare aspects are, you know, activities that the company generally do. When you look into one other such company would be Elanti.

Last and two bro, they are also the leaders in the labor welfare realm or labor welfare arena. They also enter into community development. They have their own footprints in

social investments also. When you look into Elanti as a larger Indian conglomerate, it's also known as one of the pioneers in labor welfare initiatives. So they believe that

That the true and full measure of growth, progress and typically success lies beyond the balance sheet. If most of the companies understand this, recognize this, then that would be a great initiative, a great way to go forward. So through its social investments, if you look into L&T addresses the needs of communities residing in vicinities of its facility. Generally, you know, that is something which I have underscored time and again, that how helpful the organization or the company has been towards the families which stay in the vicinity of its facilities, taking initiatives in the areas of health. education, environmental conservation, infrastructure or even to a certain extent community development.

So the company, there is no doubt, proactively provides assistance in situations such as natural calamities, you know, assist victims of nature's fury or even social neglect to a certain extent. So many social enterprises are undertaken in partnership with government agencies and many NGOs. So Larsen and Dubrow's initiatives include, but not limited to health, education, environmental conservation relief etc so these are some of the you know critical aspects what we have seen when it comes to L&D so these were some of two of the critical companies or organizations which would generally have taken labor welfare seriously so when you look into

industrial relations as I have started the session, we have tried to bring in a level of understanding in terms of industrial relations, the existence of the different stakeholders and how the dimensions of these different stakeholders play a vital game. In this lecture, actually with module 4, I have tried to introduce you to the concept of labor welfare. This is one of the most critical aspects when it comes to labor welfare and industrial relations course because it not only gives the day-to-day, you know, requirements or patches up or gives the requirements of the individual per se. But it also gives an extended helping hand towards the family of the workers.

It actually brings in a holistic approach to us itself. Be it statutory, be it voluntary, be it mutual, every single type of labor welfare is categorically directed towards the upliftment

of the particular worker. So the quality of the life of worker is at the center stage of the entire scheme of things when you look into labor welfare. And this makes labor welfare one of the most critical topics within the entire lecture because labor welfare happens to be just an eyewash for many organizations. organizations like Tata or L&T which we have seen they have extensively involved themselves into community development into health care etc the need is that or the requirement is that there is a need to go beyond the balance sheet and that is what these companies are all about that is what makes these companies different from their other ones so I hope you have a clear understanding of the requirement for the need to go above the balance sheet

We'll look into greater details of these perspectives in the coming lectures. Till then, take care. Bye-bye.