Business Law for Managers Prof. S Srinivasan

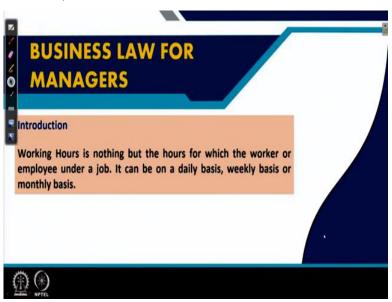
Vinod Gupta School of Management Indian Institute of Technology – Kharagpur Module-5: Factories Act

Lecture – 24 Working Hours

Welcome to lecture 24, we are in module 5, the previous lectures we discussed about our welfare provisions. On today's lecture, we are going to discuss about working hours which is one of the important aspects of these you know factories at or we are talking about and working conditions, this is very, very important. We are going to talk about what can what are the maximum work hour, has to allow to work in a day.

And what is what if in case if somebody works beyond the stipulated work hours, we are going to discuss all those interesting facts which this was very much relevant for people who are going to be employed, also is going to be role play a role of a manager, how have to be compliant with the minimum requirements.

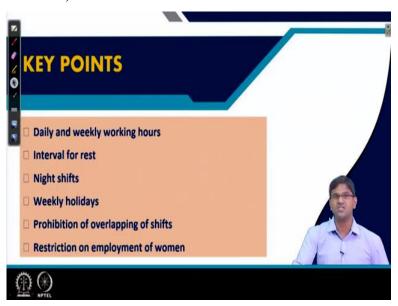
(Refer Slide Time: 01:09)



Let us get into the lecture. So, let us understand what is this work hour? Work hour is nothing but know the number of hours work hours or employees spent under a job. So, it can be on a daily basis, weekly basis or a monthly basis. Here, you know, some work hours may be employed on a daily basis or somebody on a weekly basis somebody on a monthly basis and

this work hour is nothing but the any work I spent carrying out my duties that called my work hours that is qualified as a work hour.

(Refer Slide Time: 01:36)

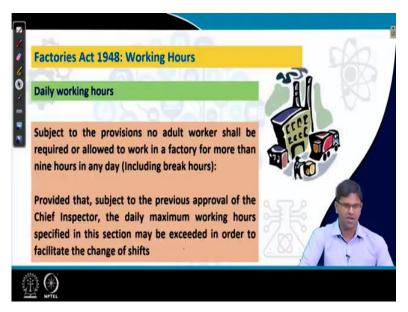


Now, what we are going to discuss in today's lecture, we are going to talk about. Now, what are the know minimum work hours with respect to daily limit and weekly work hour limit, what is that access and in case if there is a violation in there, if they exceed what has to be done? We are going to discuss about some practical perspective as well. And what are the interval for rest to be provided? What is the requirement? What is the mandatory requirement?

And we will also talk about the provisions related to the nightshift. Who are allowed to work at nightshift? And what is the conditions? And we will also talk about know weekly holidays what does it the next actually talking about a weekly holidays and prohibition of overlapping shifts? We see that manufacturing organisations work on shift bases and some factory work in several shifts, 3 shifts in a day.

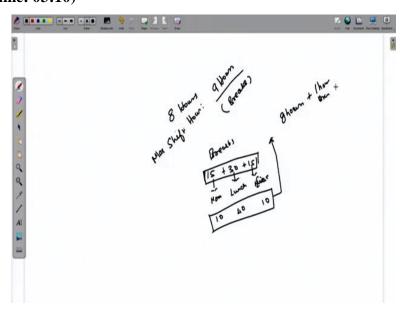
And we also look at know what is the any restriction which are placed for employing a woman in certain shifts. So those points are the one we are going to discuss today.

(Refer Slide Time: 02:37)



Let us start with the daily working was what is the requirement under these particular legislations? It says subject to the provisions know adult worker we are talking about an adult worker that is why now if you look at the first lecture, we defined the child worker and then adult worker, child worker not more than 5 hours in a day they are not allowed to work. For an adult worker, these are not allowed to work in any factory more than 9 hours in a day including breaks.

(Refer Slide Time: 03:10)



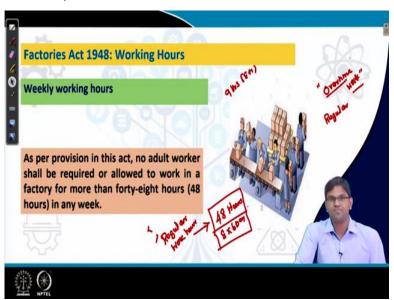
So, it is very important you understand it is not now when you say know. Yes, work hour is 8. Yes, it is 8 hours, but the maximum shift hours is 9 hours. It includes breaks also. Generally, if you go to any of the factory where we see that yes, there are 15 + 30 + 15. So, this is about minutes breaks, this is most general practice which I am not talking about in many industries.

You will have 15 minutes break in the morning, 15 minutes break in the evening, and there is a 30 minutes lunch break. Some factory might give 10 minutes 10 minutes and 40 minutes. So, somehow, we see that now one hour of break I mean included so 8 hours of work plus one hour of break. That is why it says maximum of 9 hours which includes break also.

Provided, can a factory violate? Can a factory work beyond these 9 hours including break? Provided subject to previous approval of the chief inspector or you know district level factory inspector daily maximum hours on those sections cannot exceed. But if you with a special approval, yes you are allowed to employ worker beyond this work hour with the only a prior approval of the factory's inspector.

So, but again, what will happen to the extra hour people work that we will discuss in the overtime aspect that we will discuss in the same lecture itself.

(Refer Slide Time: 04:55)



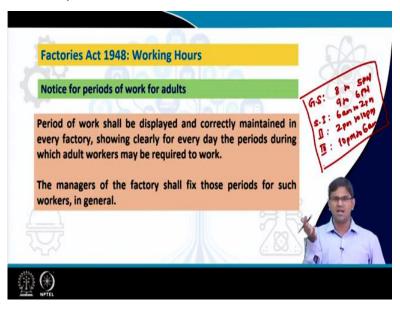
Now, talking about a weekly working hour. Now what is the you know coming about in a weekly work hour. So, we said 9 hours per day that includes break right 8 plus 1 hour now comes in a week. What is the maximum hour an employee or worker has to work? So, in a week, the maximum work hour is 48 hours any week. I mean that 8 days in a week, sorry 6 days sorry 8 hours in a day for 6 days in a week.

So, it is 8 into 6 days which is the maximum hours of work are allowed you know, week done. Now, can a factory work beyond 48 hours in a day? Yes, this is the you know

maximum but also factory workers are allowed to work on overtime. Overtime which is beyond their regular hour. So, we are talking about these 48 hours is a regular work hour, this is what we are talking about.

So, it is a regular work hour in a week any week should be only 48 hours on top of this regular work hour yes, there can be instances are there can be provisioned where worker can work beyond 48 hours that will be coming into overtime work. That we will discuss the you know what is that you know conditions how that has to be treated all that we are going to discuss in some time.

(Refer Slide Time: 06:28)

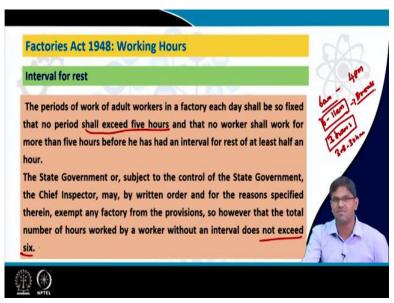


Now, notice period of work for adults. So, the period of work should be displayed and correctly maintained in every factory you know. And clearly it should show the period during which adult worker are required to work. For example, if a factory is running on a 3 shift, so, if you go to any factory if you know visit some of the factories you will be able to see that yes, the factories will display the working hours.

For example, some factory may have several shifts they say general shift. General shift is nothing but know it is either 8 to 5pm or some fact it is 9 to 6pm which is if you see look at you know this is know 9 hours including breaks and also you will say shift 1, shift 2 and shift 3. So, they have to for example, shift I starts at 6am to 2pm, 2pm to 10pm, 10pm to 6am. If you look at so, factory has to clearly display this in their notice board the regular work hours of the particular factory.

And also say, how many work hours are engaged in each of the shift that is also mandatory that yes as a factory you should have a record to display, how many work hours are working each of the shift? What is the work hour? Work hour also has to display, what time is the break? And what time you are morning break, lunch break and all that has to be clearly displayed. So, that work hour also aware that yes, I this is my work hours.

(Refer Slide Time: 08:16)



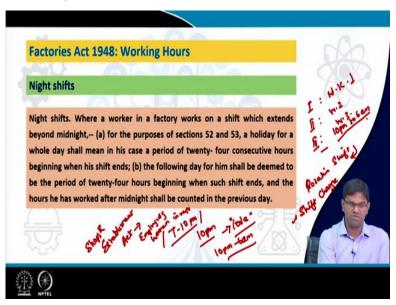
Now, interval for rest, what are the you know, requirement in terms of providing rest to the workers see in no place in no factory workers are allowed to work at a stretch of hours. Nobody should work beyond 5 hours at a stretch. For example, let us say I am factory I am starting at 6am and you know, I leave me for a work hour at 4pm. So, let us say 6 to 11 is a maximum stretch the workers can work.

Immediately after 11am there should be a break there should be a break. So, generally if you should look at factory management provide a break after 3 hours as I have always visited several factories in India, even in even the remotest places in India. So, where we see between 3 to 3 and a half hours, we could see that know 30 minutes breaks are provided to the workers.

But what Act says no worker shall work for more exceed 5 hours without a break time. So, there should be definitely a break should be provided as a 30-minute break or a 15-minute break 30 minutes break is provided if workers work for 5 hours continuously. And our State Government are subject to the control of our State Government Chief Inspector may by the return order are specify in case of any exemptions are provided.

But generally, that should not exceed 6 hours. Why there are places in our country where I because of the geographic locations may be difficult to keep the workers for very long hours. So, they might to go for 6 hours at a stretch, but with this with a special approval from the Chief Inspector or from the State Government that yes you can have 6 hours work otherwise it is the break should be provided not more than 5 hours. So, there should be a break or interval to be provided.

(Refer Slide Time: 10:22)



Now coming to the night shifts, what is the provision which are talking about a night shift? Where a factory works on a night shift extends beyond midnight, so, that will become you beyond midnight, so holiday for the whole day shall mean in case you do not have 24 hours of consecutive hours that begins in the shift next. So, for example, somebody works in a continuous shift.

Let us say shift system, let us talk about a shift system 1, 2, 3. Now, we always see shift system, the third you know, if you look at you know, third shift, it starts from 10pm to 6am. So, that we always you know, the rotation of the shift or say shift change or shift change. So, workers used to have a shift change. We see you know, most general practices or that require some workers work in this week in first shift.

Week 1, let me call week 1, week 2, week 3 and for every change in the shift there should be one day which is 24 hours break should happen especially after the night shift, you should not just. For example, somebody is work from 6pm to 6:10pm to 6am, then next rotation of shift

should not happen there should be definitely 24 hours of break and if you took out the night

shift.

You know, women workers are not allowed to work we will see that in detail in the end of the

lecture. Woman workers are not allowed to work in the nightshift provided there is a special

approval has been obtained from the Chief Inspector of factories act. But if you look at now,

with the recent amendments, with the Labour Court comes on the working conditions, it is

providing options that yes, women worker can be allowed to work even beyond 10pm in the

factories.

Generally, you know, with special permission 7 to 10pm these women workers are allowed.

But now, with the new code going to be implemented effectively when the moment new code

comes into picture, it allows women workers to work from 10pm to 6am as well. Now that

comes to questions, but we are seeing women I am being employed in IT industries are being

working in the night shifts, how they have been a lot of work.

So those industries are covered under Shops and Establishment Act, that actually allows

employing women in the night ships. When in night shifts, so, that is where know those

industries are covered. So, they are allowed to work in the night shifts, as per the Factories

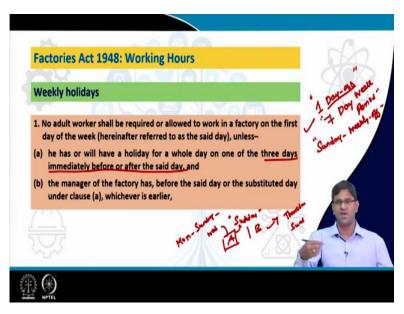
Act it does not allow a women worker to be employed, but now with a special approval it is

allowed.

When now as I said with a new Labour Code coming into a picture or if it come into effect

that is going to allow women workers to be employed him and in the night shifts also.

(Refer Slide Time: 13:30)



Now comes to the weekly holidays, no worker should be allowed to work in a factory or know or I will put it another way. So, at least one day off should be provided in a 7-day week period this will be you know fit well. So, generally it is as per the Act it says first day of the week, which is Sunday can be declared as a holiday. So, he or she will have a holiday for the whole day on one of the 3 days immediately in case.

For example, some place which we have seen know Sunday most often Sunday is being declared weekly off. Some place by the agreement or maybe in a factory might decide to give no rotational weekly off day. For example, many know multinational or you have been a supplier to larger multinational organisations, you know or maybe you know, export-oriented factories, they run on 24 hours 24 by 7.

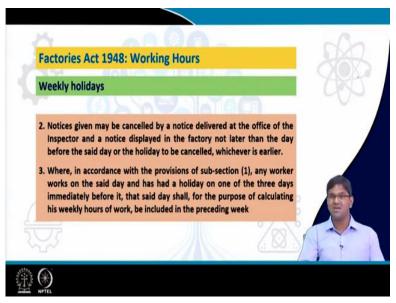
So, when the 24 hour 7 where we say the weekly off day varies from workers to worker there is a roaster being prepared. Some worker provided a weekly after and Monday somebody on Wednesday somebody on. So, there is a be a but at least they should meet the condition. Yes, one day off provided within a 7-day working period. In case, if somebody is happening to work on a weekly off day what should be done?

If somebody works on those day, he or she has to be given a whole day or leave in the next 3 days immediately before after the set day. So, within next consecutive 3 days somebody has for example, it is either or ways. Now, for example, let us say some Sunday is a weekly off day. Now, I am giving 2 scenarios A and B. A is the one who worked on let us say Monday

to Sunday also he or she worked and within Wednesday, within Wednesday A should be provided holiday weekly holiday in this situation.

Let us say they forecasted that yes, there is a demand on the Sunday, they have given him holiday on Thursday and requesting him to work on Sunday. So, either side at least a holiday should be provided. So, the manager of the factory before said day all the subsidiary day has to be ready whichever is earlier. So that should be a provision of providing a weekly holiday in case if a worker happens to work on a weekly off day, it is not necessarily a Sunday any other day which factory fix it as a weekly holiday.

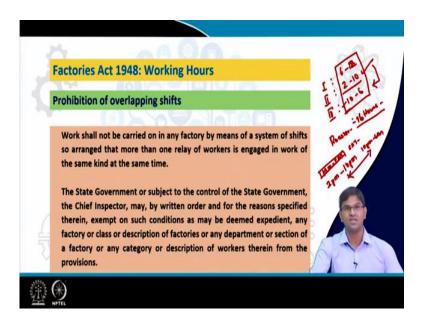
(Refer Slide Time: 16:17)



And you know, others have been noticed to be given maybe notice given maybe cancelled by notice delivered by the Office of Inspector then. No holiday can be better later than the before said day. And now as we said, we already discussed any worker who works on these declared weekly holidays has to be given holiday in the you know, 3 days immediately before it and after it.

So, that should be you know, provided as a mandatory requirement. So, it is one day weekly off day should be provided to workers.

(Refer Slide Time: 16:54)



Then let us talk about the prohibition of overlapping shifts. So, this I was already hinted about the ship system in the factories, as I said no, we have seen many factories runs on 3 shift system. So, it is like 6 to 10 sorry 6 to 2 or 2 10 or 10 to 6 this is how the sift system runs. And you know, as I said factory has to create a roaster system in such a way that yes, no worker are asked to you know, continue the shifts on the rotation.

Since for example, A is employed in this particular shift and next week he or she should be given one day off before he or she starts the different shift. For example, somebody worked till 10pm and asking the same person to continue that, your roster begins your next week shift comes now, you will start the next day immediately 10pm to 6am then you will take a break no.

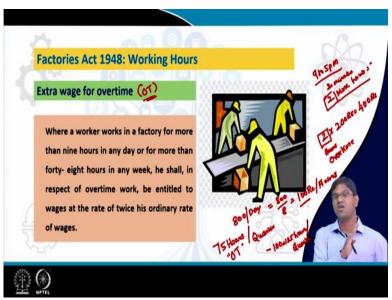
So, factory has to provide a break to having the event there is a shift change happens. So, worker has to be provided at least 24 hours a break before they take the next shift systems shift change. There should be a roaster there should be clearly a Roaster we have seen no factories. Factory will definitely make HR department will make a roaster system to ensure that yes, there is no overlapping of shifts.

There are instances of factors we are going into noncompliance is where they may demand workers to know the during the shift change, or somebody has to work 16 hours at a stretch, which is a noncompliance which is not allowed. I mean, 6 hours is this. I have started my

duty at 2pm to 10pm. And this lets you know my duty starts from Monday to Saturday. Are this being the factory where which runs you know, 24 by 7.

And I begin my next rotational shift or let us say Saturday that you know 10pm again 10pm to 6am on Sunday. This kind of a continuous shift system is not allowed restricted. So, no overlapping of shifts.

(Refer Slide Time: 19:06)



Now coming to the important aspect of the work hours, which is an overtime. So, any worker we already said 9 hours including breaks as the maximum work hour limit for a day but on top of it, work hours are allowed to do an overtime hour. So, but overtime hours is like not more than 2 hours a day. This is very important aspect of the understanding the work hours.

So now, let us say somebody works for overtime, let us say 9 to 5pm is my work hour. Then let us say I have given 30 minutes break and I am working for 2 more hours. Now, what is it, you know, as per the law See these 2 hours has to be paid double the wage rate for example, let us say my salary is 800 rupees a day per day? Now, if you calculate how many hours I work 8 hours, so 800 divided by 8 which is 100 rupees per day per hour sorry per hour.

Now, I am working for 2 more hours, how should I be paid, it should be double the rate so, far every one hour of what am I do I will be earning double the rate. So, for these 2 hours, I will be paid 2 into 200 rupees, which I will earn essentially 400 rupees for the extra 2 hours of work I do as over time. So, as per the act, any overtime hour should be paid at the double the wage rate and what is the maximum overtime I can do every day?

It is 2 hours of additional overtime I can do but in reality, we have been seeing many factories which are engaging workers on overtime hours more than 2 hours also. So, but now comes the tricky point from the you know, Labour Welfare or the Factories Act perspective. It also says quarterly maximum overtime hours a worker can do see there are provision which says which allows a 75 hours of overtime OT refers to overtime?

So, OT, I am talking about OT overtime is OT. So maximum 75 hours of OT per quarter. Now, there is also amendment subsequently happen it is allowing know 100 to 125 hours per quarter. So, no worker should be allowed to work beyond this overtime hours. So, but you will be asking why would they require no overtime, many factories which runs with the know a smaller number of workers are probably their orders are more they depend on the overtime hours.

And if you from the you know, man, you know, I am understanding from 2 different perspectives. There are most difficult situations happens in the factory as a management what level because we look at overtime hours are paid double the rate, right. So, workers are interested to do overtime hours. Now we will ask a question, why do not you provide overtime hours?

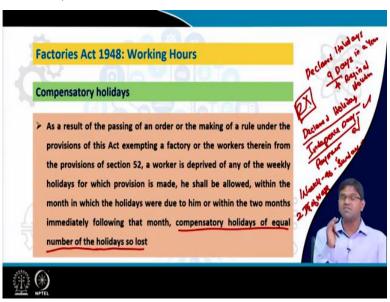
No, it is beneficial for both and all factory management can also stretch their work hour get the work done and workers also happy that they will be earning double the rate. The concern is, it is kind of a physical stress happens for a worker who works for a long work hour. There is always a high risk that any workplace accident can happen if a worker works without rest or maybe working for pretty long hours in a day.

So, your body may not support you to work continuously for a very long hours in a factory. That is why this work hours are coming to Govern or regulations is very very important. So now it is always a very tricky situation which I have observed in many industries that yes, by work hours are interested to have you know work for more work hour overtime hours. Because it is going to pay me double the rate.

Whereas my Act do not allow me to employ my worker around continuous overtime, because there is a restriction on quarterly overtime. So, this is very, very important aspect of understanding what time so what time rate is always paid double the wage rate. Now comes many factories legally double the rate. But what we are seeing in reality? Some places, some factory maybe I call it as a not you know good standard factories.

They used to be at a single rate meaning that I will pay same 100 rupees you work additional 2 hours, 3 hours I am going to pay the single rate. Some factory used to pay 1.5 times but these are all non compliance which is legally not allowed as per the Act you have to pay double the wage rate if you are allowing a worker to work on any overtime.

(Refer Slide Time: 24:30)



Now talking about now compensatory holidays. You know, so you have in case any holidays are been allowed and declared as a working day for some of the factories you have to you know provide compensate the holidays equal to the same holiday which you are losing. So, for example, some factory you know every factory will have a declared holiday. Declared holiday list will be provided.

Minimum is 9 days in a year. On top of it or regional holiday maybe declared but 9 days becomes you know at least 9 days of holidays in a year in a calendar year, at some times what will happen factory may because of the know work demands, they might want to do have working day on the declare holiday and they have to have the compensatory the holiday for the number of days it is lost.

Now comes the question let us say somebody works on a declared holiday. Let us say call it an Independence Day. I am just a reference. So, my workers worked on this day. Now, what

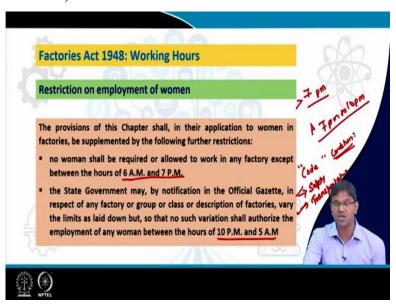
is the you have to provide a compensatory holiday is one the next is payment for this day. Any work which happens on a declared holiday are weekly off day which is a Sunday or any day but primarily Sunday, let us call it this way.

Workers working on Sunday or on a declared holiday, that work hour has to be paid at the double the wages. This work hour has to be considered as overtime hours because it is a declared holiday if you are working on those holiday hours declared holiday workers have to be provided at the double the rate 2 times it should be 2 times of wages. So, 2 times x 2x times should be your salary.

So, if you are working for your declare holiday, you will get 2 days of wages for the particular day you work. But also, you have to be provided a compensatory holiday. So, what is that I have seen in many factories is that some factory say see, of course, these workers are worked, I am already given them the compensatory holiday. What is that? Why should I pay them double the rate because now they lost one day because they worked for holiday and I have given them the holiday.

No, as per this act, which says any declare holiday if they happen to work that is considered as an overtime hour that has to be paid at the double the rate at the same time, they should be provided a compensatory holiday.

(Refer Slide Time: 27:14)



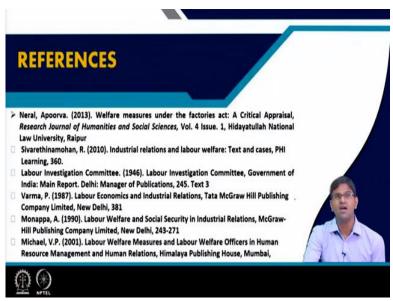
Now comes the important aspect that yes, women worker working in a factory. So, a women worker, no women shall be required or a love to work in the factory except between 6am to

7pm As I was actually discussed in the prior slides, that the women worker are not allowed to work beyond 7pm. But there is provision which says you know, allowing workers with s approval from the Factories Inspector or maybe with the State Government by notifications in the Official Gazettes.

They can allow the workers or the women workers to work beyond the time. Now, how well they were also restricting that will be allowing 7pm to 10pm. So, with that approval also it was allowing only women workers to work from 7pm to 10pm. Now, as I said with a new Labour Code, which is going to come when it is effectively implemented, it is allowing women worker to work between 10pm and 5am.

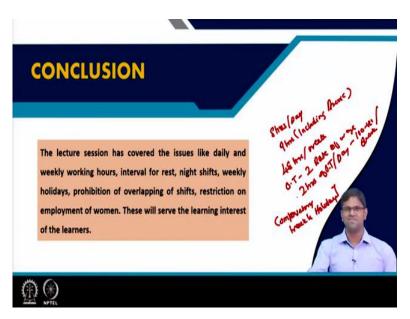
As well but the condition is that factory management has to take the responsibility of ensuring their safety. From the time they reach their home and the time they start from the home to the work. So, it becomes the responsibility of the factory management to ensure safety and providing transportation, these are the conditions. So, factory has to provide safety is and the transportation facilities if you are employing women between these times.

(Refer Slide Time: 29:03)



These are the restrictions on employment of women and these are our references.

(Refer Slide Time: 29:06)



And we Today we discussed about working hours which are very important we talked about maximum work hour which we say 8 hours a day or if it is 9 hours, including break. Then 48 hours per week and we also talked about overtime which is OT double the rate 2 times rate of wage and maximum 2 hours of OT per day are 100 to 125 hours per quarter.

And we also talked about compensatory holiday, weekly, holiday and any work during this day to be paid at the overtime rate. So, these are Very important because you have to be aware about this are if you are a manager, you have to follow this to implement as a factory management you obey the legislations otherwise you will be unnecessarily getting into the non-compliances so, which is very important.

So, we discussed about it and we will look after you know, what are the other provisions are required part of this legislation in the next lecture. Thank you so much.