



**LABOUR WELFARE AND THEORETICAL TREATISE IN THE CONTEXT OF EMERGING ROLE OF HUMAN
RESOURCES MANAGEMENT IN CORPORATE SECTOR**

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ABSTRACT

Indian industries are primarily labour intensive and is the basis on which Public sectors were formed in India. This labour intensiveness usually leads to emergence of trade unions, collective bargaining, industrial disputes, industrial unrests leading to retrenchments on the negative side. However, there are many instances where the trade unions have worked well along with managements. There are lot of literature on the labour issues, disputes, union issues and that have actually become important in this era of changing human resources management. This article looks back at the literatures that are available and the extent of involvement of trade unions in the overall management of an organization.

KEY WORDS: *Labour, human resource management, disputes, trade unions*

1. INTRODUCTION

In India, More than 90 per cent of the labour force is employed in the "unorganised sector" and are largely bereft of social security and other benefits of employment available in the "organised sector". Sixty per cent of India's workforce is self-employed; many of them remain very poor. Nearly 30 per cent are casual workers who are only seasonally employed. In the rural areas, agricultural workers form the bulk of the unorganised sector. However, the role of such labour force becomes significant when they operate in the organised sector. It could be either in public sector or in private sector. With the opening of Indian economy and linking it to global economies, the rate of growth of employment declined sharply in 1990s as compared to 1980s. The decline in employment growth has been seen in conjunction with the decline in the labour force growth rate. There is also a wide variation in unemployment rates across the states. Large establishments prefer to go in for capital-intensive technology of production in order to raise productivity level so as to be more competitive in the market and for maximizing their profitability. They would also like to avoid future issues with the increased labour intensiveness. The objectives of labour welfare activities are partly humanitarian partly economic and partly civic. It is humanitarian, as it aims at providing certain

facilities and amenities of life to the workers, which they themselves can provide. It is economic because it improves the efficiency of the workers and keep the workers contended and minimize the chance of the conflict. It is civic because it is a mass to promote a sense of responsibility and dignity among the workers and to make them better citizens. Initially, humanitarians or social awareness motivated labour welfare activities.

Welfare has been described as a total concept. It is a desirable state of existence, involving; the physical, mental moral and emotional well being. All these form elements together constitute the structure of welfare of which its totality is based. The social concept of welfare implies the welfare of man, his family and his community. There is interconnection among these three aspects, in the sense that all the three work together or individually supplement one another in a three dimensional approach each mentally serving as ends and means. The welfare is a desirable state of existence of involving the physical, mental, moral and emotional well being as the basic structure of welfare. The strategic consideration in union management relations might have impelled the employer to launch programmes of welfare activities. Apart from this motivating factors arising from the presence of labour unions, enlightened management soon came to realize that well planned welfare programmes helped to enhance profits. The welfare activities reflecting improved; health and increased happiness of the work proved to be a real incentive to high output

The concept of labour welfare originated in the desire for a humanitarian approach to ameliorate the sufferings of the working class. Latter it becomes a utilization philosophy, which worked as motivating force for the labour and for those who were interested in it. Welfare work covers all the efforts which employers make for the benefit of their employees over and above the minimum standards of working conditions fixed by the Factories Act and over and above the provisions of the social legislations providing against accident, old age, unemployment and sickness.

2. LITERATURE TREATISE

According to Binoy Joseph etal (2009) India's labour force ranges from large numbers of illiterate workers to a sizeable pool of highly educated and skilled professionals. Labour welfare activities in India originated in 1837. They underwent notable changes during the ensuing years. This article is a description of these changes and the additions which were included over this period. On the whole, it paints a picture of the Indian Labour welfare scene. The 10 Five Year Plans have had a tremendous impact. Further, the Indian Planning Commission has laid down measures to enhance the welfare of workers in various areas such as child labour, bonded labour, female labour and occupational safety and health. Welfare work in India (broadly defined) is carried out by various government and non-government organisations of which the most important are National Government, State

Government, Trade unions, the Public Sector and Private Sector nongovernment organisations. Activities in this area include provision of housing facilities, education, occupational safety and health, prevention of child and bonded labour, and enhancement of working women's welfare. Private Sector welfare measures are of a similar nature. Notable companies taking initiatives in this regard are Tata and Larsen and Toubro. The article points out that the structure of a welfare state rests on its social security fabric. Government, employers and trade unions have done a lot to promote the betterment of workers' conditions. However, a great deal still needs to be done. This has given a clear idea of the status of employee welfare in India.

Lallan Prasad (1968) studied the personnel management and industrial relations in the public sector with special reference to the Hindustan Steel Ltd. The study covered various aspects such as organisational structure and relationships, employment and development of personnel, remunerating the personnel employed, morale of employees, industrial relations and labour participation in management programmes. It also revealed that industrial disputes inflict loss both to the employers and the employees besides being harmful to the general community.

Franz Traxler et al (2010) through their study reiterated that strong exposed-sector unions and weak public-sector unions are seen as having beneficial effects on macroeconomic performance. Although these effects must work through the bargaining structure, the interaction with union composition is unclarified. This paper argues that the interaction effect qualitatively differs with the bargaining type. The findings show that the performance of pattern bargaining significantly increases with growing exposed-sector union strength whereas uncoordinated bargaining and centrally coordinated bargaining do not interact with union composition.

Scott Walsworth (2010) conducted a study in Canada and concluded using panel data from the Canadian Workplace and Employee Survey, the union effect on employment growth was examined. In line with previous North American findings, private sector unions are found to slow employment growth by approximately 2.2 percent per annum.

Arya P.P (1989) made a study of the different aspects of the environment and culture of labour management relations in public sector in general and two public sector undertakings in particular. The study attempted to examine the attitudes of workers, trade union leaders and management personnel towards the labour-management relations. It was observed from the study that proper training after recruitment, reasonable wage structure, welfare facilities, workers' participation in decision making and well defined promotion policy had a positive impact on the labour-management relations.

Vasanthagopal. R (1998) made a study of the labour-management relations in textile industry in Kerala in order to assess the nature and causes of disputes and their impact on the efficiency of textile industry in the State. It also examined the performance of the dispute settlement machinery in settling disputes in textile industry in Kerala. The important findings of the study were that in textile industry, bonus, wages and allowance and workload were the main causes of disputes. It was also noted that the loss of profit owing to disputes in textile industry was not so significant. With regard to the performance of settlement machineries, the study revealed that indirect methods of dispute settlement such as conciliation and adjudication were not largely used in textile industry. The workers and managerial personnel preferred voluntary negotiation, conciliation, adjudication and arbitration as the desired forms of disputes settlement in textile industry in Kerala.

Rao. G.P (1974) made a study on the industrialisation and worker protest and observed that whatever be the management practices in an organisation, conflicts between employer and employees were bound to occur. The conclusion that emerged was that industrial dispute was an inevitable consequence of the process of industrialisation.

M.U. Ahmed(1997) in his article sought to examine the trend and features of labour relations and its impact on productivity, development of human relation, investment expansion and growth of industrial sector, etc. He observed that in plant or national level, sound bipartite or tripartite relation was not developing due to lack of cooperation between labour, management, Government and Trade union. For this it was hampering industrial investment, productivity and industrialisation. Researcher found that following were the major causes of industrial unrest:

- Politically influenced trade union structure.
- Excessive and multiplicity of unions.
- Ineffectiveness of collective bargaining for bipartite negotiation.

Absence of sound institutional mechanism for successful tripartite negotiation in national level, etc.

According to BLS (2000) , During the 20th century, employers increased the economic security of employees by providing, in exchange for labor, benefits in addition to direct compensation. Apart from direct compensation, benefits encompass all other inducements and services provided by an employer to employees. Kaufman (2004) identified that like other HRM policies, employer-sponsored benefits have been shaped by social, cultural, and legislative forces.

Micelli and Lane (1991) have quoted that one might expect employee satisfaction to be related to the actuarial value of benefits and the level (i.e., amount and type of benefits) of a benefits package to be positively associated with employee satisfaction.

Employee satisfaction has historically been conceptualized as a uni-dimensional construct that captures the value, or level, of benefits. In this line of research, the level of benefit offerings has been assessed with a four-item benefit scale embedded in the Pay Satisfaction Questionnaire (PSQ) which was developed by Heneman & Schwab(1985). Items on this benefit scale include satisfaction with 'my benefit package,' 'the value of my benefits,' amount the company pays toward my benefits,' and 'the number of benefits I receive.'

Mitchell and Rappaport (1993) quoted that while employers provide pension plans for a variety of reasons, the overall goal of organizations is to design compensation systems that are consistent with their human resource policies.

It was found by Anne Foster (1996) that ironically, employees who are in the greatest need of employer-provided information about retirement-related issues are those who are least likely to benefit from provided information. That is, individuals who do not interact with a wide range of information on a daily basis are less likely to gain practical information from distributed materials. If employees are not able to translate employer provided retirement-related information into knowledge that will enable them to make wise investment decisions for the specific purpose of preparing for a financially secure retirement, they are in danger of retiring with less than sufficient funds for their retirement years and as a result are more likely to become a financial burden on society.

Teresa Mastin(2007) conducted studies with reference to the US employees on the retirement benefits offered by the respective companies. Results clearly indicate that preparing for financial security in retirement is perceived as important across employee groups. However, this finding is not reason for extreme optimism. That is, results from the general index show that there exists a substantial gap between employees' knowledge about investment-related concepts as a function of education. In particular, persons with higher levels of education were more knowledgeable about the investment concepts that enable people to make wise investment decisions in general, not just those decisions associated with a particular retirement plan.

According to Kelly, E. L. (2006) access to flexible work arrangements and flexible scheduling, however, is generally determined on an individual basis, and only the highest performers typically are awarded the opportunity to work on an alternative basis, thus limiting access to this type of "perk" for most workers. While some employers have chosen to offer work–family benefits to support the challenges faced by an increasingly diverse workforce, researchers have found that their prevalence is limited. For example, Seyler, D. L., Monroe, P. A., & Garand, J. C. (1995) found among a

representative sample of Louisiana businesses that organizations rarely offered a systematic or comprehensive set of family-related benefits.

Damu(2002), in an address mentioned that all three parties — government, industry and trade unions — are equally responsible when it comes to putting effective labour reforms in place. Tata Tea company has been undertaking a lot of welfare measures for its employees and their children, measures that are beyond the scope of any legal requirement. These activities are costing Tata Tea a lot, and at a time when the tea industry is passing through a serious crisis. So the Tata Tea management requested its unions to cooperate with the company to increase productivity. This would have helped both the company and its workers, but the union leaders were not agreeable to the idea. Because of their adamant nature the company and its employees suffered. This sort of irrational and destructive approach is detrimental to India's industry and economy. This kind of old-order trade unionism has to go. He has put forward some suggestions to ease the path to labour reform.

3. SUGGESTIONS AND CONCLUSION

The scholarly management and organization literature in employee welfare has tended to focus on work–family benefits, even more than on health and economic security benefits. Given that this area of welfare has received so much attention, it is important to review this literature to get a sense of the reasons why employers sponsor work–family benefits, the potential payoffs to employers for doing so, and the outcomes for employees who utilize these benefits. Researchers in the management and organization literature have most often focused on childcare services and flexible work arrangements. They have shown that employer support of childcare typically involves subsidizing on-site childcare, directly paying for childcare (either as an employee benefit or through a third-party vendor), or by providing information and referral services according to Goodstein, J. D. (1994) researchers have also found that workplace flexibility typically involves such programs and practices as flextime, part-time or reduced load work, job sharing and other flex options. It may be noted that organizational theory suggests that institutional pressures dictate which types of organizations are more or less likely to adopt non-mandated welfare programs. On the other hand, the business case for work–family benefits, or the rational choice argument. A study of Industrial conflict hence needs to examine the total range of behaviour and attitudes that express oppositions and divergent orientations between individual owners and managers on the one hand and working people and their organisation on the other.

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